CITY OF ROLLING HILLS

2021-2029

HOUSING ELEMENT

Adoption Draft

Published May 9, 2022

TRACKED CHANGES VERSION

As required by State law, an initial draft of this document (referred to as the "HCD Draft") was circulated for public comment and review for 30 days, beginning on December 3, 2021. More than 30 local agencies and organizations providing housing and related supportive services were notified and invited to comment on the Draft. The Draft was also discussed at a Planning Commission public hearing in December 2021 and a City Council hearing that occurred on January 10, 2022. On January 10, the City Council authorized submittal of the Draft to the California Department of Housing and Community Developlment (HCD) for review. Under State law, HCD had 90 days to issue its findings.

Comments from the State Department of Housing and Community Development (HCD) were received on April 11, 2022. City staff/ consultants met with HCD to review the comments on April 22, 2022. This "Adoption Draft" incorporates revisions that directly respond to and address the HCD comments, A revised document was issued on May 9, 2022. This document was made available for two weeks prior to Council action on the document (seven days is required).

Once adopted, this document will be re-submitted to HCD, inclusive of any changes made during Planning Commission and Council hearings (including changes responding to public comments). HCD will then have 60 days to issue its findings.

ROLLING HILLS
HOUSING ELEMENT
2021-2029

CITY OF ROLLING HILLS

Adoption Draft:
Tracked Change Version

All changes between the January 2022 version and the May 2022 version of this document are highlighted in redlined (tracked changes) font

CONTACT:
City of Rolling Hills
2 Portuguese Bend Road
Rolling Hills, CA 90274
Contact: John Signo, AICP
jsigno@cityofrh.net

Published May 9, 2022

ACKNOWLEDGMENTS

Rolling Hills City Council

James Black, M.D., Mayor
Bea Dieringer, Councilmember
Leah Mirsch, Councilmember
Jeff Pieper, Councilmember
Patrick Wilson, Councilmember

Rolling Hills Planning Commission

Brad Chelf, Chair
Greg Kirkpatrick, Vice-Chair
Sean Cardenas, Commissioner
Jana Cooley, Commissioner
Abby Douglass, Commissioner

City Staff

Elaine Jeng, P.E., City Manager
John Signo, Planning and Community Services Director
Michael Jenkins, City Attorney
Jane Abzug, Assistant City Attorney

Consultants

Barry Miller, Barry Miller Consulting

FOREWORD

This document has been prepared to comply with the requirements of California Government Code Sections 65580-65589, which mandate that all California cities and counties adopt a Housing Element to address local and regional housing needs. The Housing Element is part of the Rolling Hills General Plan and covers the time period 2021-2029. State law requires that the Housing Element is updated every eight years and submitted to the State Department of Housing and Community Development for certification.

Certification of the Housing Element is based on a determination that the City has complied with a variety of State laws addressing regional issues such as affordability, fair housing, density, housing type, overcrowding, and homelessness. These laws apply universally to all cities, including those with limited services and land capacity.

As a community within the Greater Los Angeles region, the City of Rolling Hills is obligated to provide for its "fair share" of regional housing needs as determined by the Southern California Association of Governments. Cities without certified Housing Elements are subject to legal and financial penalties, the loss of eligibility for grants which help fund City operations, and even the potential loss of local control over building and land use decisions. For these reasons, it is in the City's best interest to strive for a compliant element.

In adopting this Element, the City has endeavored to balance State mandates with the overarching goal of preserving the semi-rural, equestrian character of Rolling Hills. The Housing Element responds to local as well as regional needs, including the need to preserve the community's environment, minimize further exposure to wildfire and landslide hazards, and recognize infrastructure and public facility constraints.

Rolling Hills Housing Element
2021-2029

TABLE OF CONTENTS

Section **Page**

Figures **Page**

Tables

Charts

1.0 Introduction

1.1 Purpose

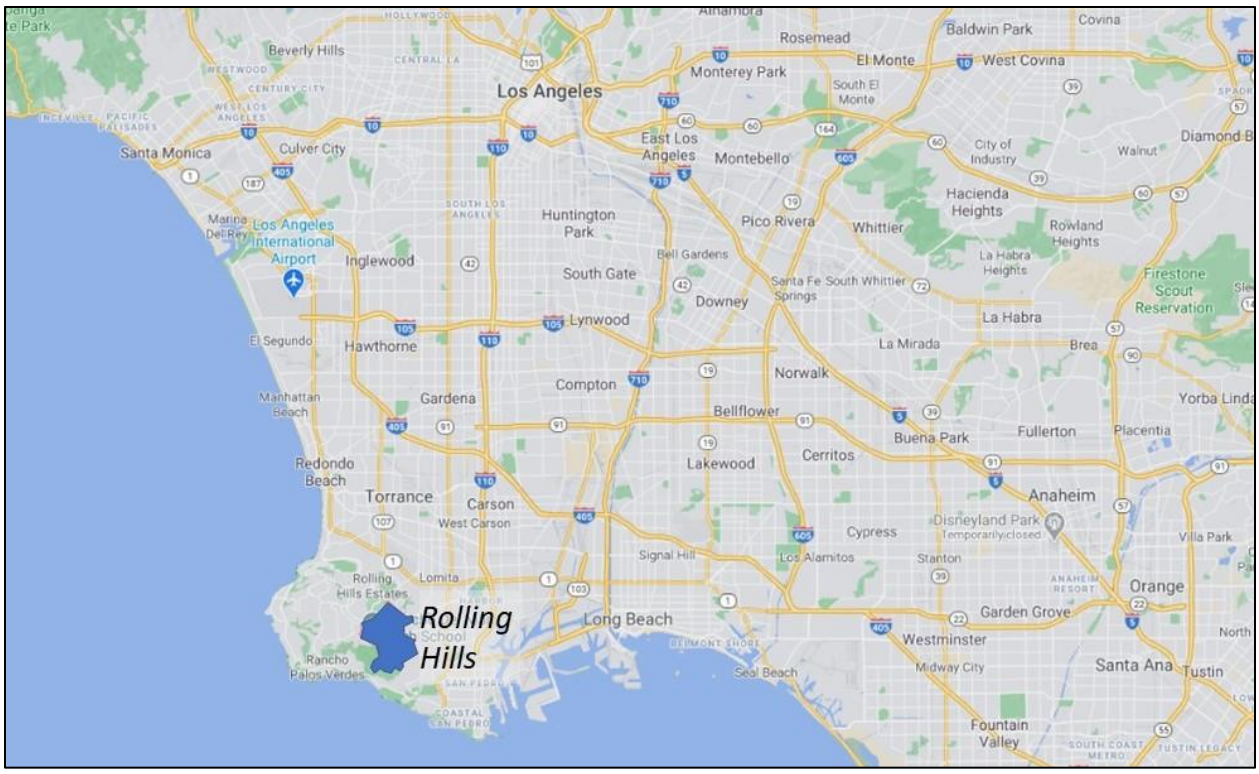
The purpose of the Housing Element is to ensure that a safe, decent supply of housing is provided for current and future Rolling Hills residents. The Element strives to conserve existing housing while providing opportunities for new housing serving a variety of income levels.

State law mandates that all municipal governments prepare and maintain a Housing Element as a component of their General Plans. The following five sections are required:

1. Evaluation of the previous Housing Element
2. Assessment of local housing needs based on demographics, economic, and housing conditions
3. Inventory of potential sites for housing development
4. Analysis of City regulatory framework related to housing development
5. Goals and policies for housing, coupled with specific action programs to be implemented in the coming years.

In addition, the Element must demonstrate the steps the City is taking to promote fair housing practices, and to proactively develop housing for all income groups. The Housing Element describes how the City will provide for its fair share of the region's housing needs over the eight-year planning period (2021 to 2029). It identifies new programs to be implemented, along with on-going programs that create housing opportunities in Rolling Hills.

The Housing Element is the only part of the General Plan that is subject to review and certification by a State agency. Adopted Elements must be submitted to the California Department of Housing and Community Development (HCD). HCD determines if the Element meets the requirements of the California Government Code, which apply equally to all cities and counties of the state regardless of the community's size, physical constraints, or resources. A compliance determination is important to maintain eligibility for State grants, avoid costly lawsuits, and maintain local control over local land use and building decisions.



Source: Google Maps, 2021

Figure 1.1: Vicinity Map

1.2 Community Overview

The city of Rolling Hills is a rural, equestrian residential community, consisting entirely of large lot residential parcels of one acre or more. The community encompasses 2.99 square miles of land (approximately 1,910 acres) on the Palos Verdes Peninsula in the County of Los Angeles (Refer to Figure 1.1, Vicinity Map). The 2020 Census indicates a citywide population of 1,739 residents, making Rolling Hills the fifth smallest of the 88 cities in Los Angeles County.

The land use pattern in Rolling Hills was established in 1936 with the original subdivision and sale of parcels. American landscape architect A.E. Hanson designed the community in the 1930s, establishing an historic Southern California design aesthetic that remains today, 85 years later. Well-known architects like Cliff May and Wallace Neff designed some of the early homes, contributing to the community's historic context.

The entire city is characterized by single-story California ranch-style homes on large lots with three-rail fences and equestrian facilities. There are three points of ingress and egress to the city, each of which has a controlled entry gate. Rolling Hills was planned and conceived to balance development with nature and respect the area's rugged topography. The community was laid out on hilly terrain, with narrow, winding roads traversing steep, wooded canyons. Minimum lot size requirements were established to recognize the area's many natural constraints, including geologic hazards, wildfire, and sensitive biological resources.

The natural landscape is characterized by steep slopes of 25 to 50 percent. Underlying this terrain are ancient landslides, occasionally causing damage or even destroying property, roads, and infrastructure. The City carefully regulates grading and earth movement to protect public safety and minimize the potential for property damage. Geologic studies and grading requirements also add to housing costs.

The entire city lies within a Very High Fire Hazard Severity Zone. This is the most constrained designation used by the California Department of Forestry and Fire Protection (Cal Fire) and requires restrictive construction standards such as the boxing in of eave projections and use of construction materials approved by the California Fire Marshal. Professionally designed landscaping meeting Fire Department fuel reduction standards (i.e., fire-resistant plants around structures) also is required. Fire hazards are complicated by an aging water distribution system, and the high cost of water system improvements on steep terrain.

Rolling Hills is also home to a number of sensitive plant and animal species, several of which are listed or being considered for listing by the U.S. Department of Fish and Wildlife and/or the California Department of Fish and Wildlife. These species include the Palos Verdes Blue butterfly, the California Gnatcatcher, the Pacific Pocket Mouse, the San Diego Horned Lizard, and Brackishwater Snail. The community is also underlain with blue-line streams that are under the jurisdiction of the Army Corps of Engineers.

The City's infrastructure is scaled to meet the needs of a mature, rural community with severe natural hazards. Its water distribution system is designed for very low-density residential land uses. Wastewater treatment generally occurs through private septic tanks. Only a few parcels on the western periphery of the city have access to sanitary sewer. All roads in the community are private and many were built 60 to 80 years ago before modern emergency vehicle standards were in place.

Housing policies and programs in Rolling Hills reflect the city's natural hazards, lack of developable land, and infrastructure limitations. In the past, the City has complied with Government Code housing requirements in ways that respond to these inherent physical constraints. For example, Rolling Hills has adopted provisions for accessory dwelling units in all of its zoning districts, permitted manufactured housing units, and created an affordable housing overlay zone on its most developable land. Its policies also emphasize conservation and maintenance of the existing housing stock, much of which is over 60 years old.

1.3 Legislative Requirements

The provision of adequate housing for families and individuals of all economic levels is an important public goal and has been a focus for state and local governments for more than five decades. Local governments have been required to prepare Housing Elements since 1969. The required contents of the Element have expanded significantly over this time, in response to rising housing costs, increasing competition for resources, and a growing population of individuals with special needs that cannot be met by the private sector alone.

1.3.1 Government Code Requirements

State law requires each municipality to perform the following tasks:

- Identify and analyze the current and projected housing needs of all economic segments of the community.
- Evaluate current and potential constraints to meeting those needs, including constraints due to the marketplace and those imposed by the government.
- Promote and affirmatively further fair housing opportunities and promote housing throughout the community for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.
- Inventory and assess the availability of land suitable for residential use.
- Establish goals, objectives, policies and programs aimed at responding to identified housing needs, market and governmental constraints, and housing opportunities.

> *"The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order. The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels."*
>
> *California Government Code, Section 65580*

1.3.2 Regional Housing Needs Allocation

As part of the Housing Element process, the State of California determines the total need for housing in each region of California. For the 2021-2029 period, the State determined that the need for the six county Southern California region was 1,341,827 housing units. The Southern California Association of Governments (SCAG) is responsible for allocating this total to each of the six counties and 191 cities in the SCAG area. This process is known as the Regional Housing Needs Allocation (RHNA) and occurs every eight years.

SCAG calculates each city and county's "fair share" of the regional need using a computer model that weighs factors such as existing population and employment, growth potential, proximity to transit, and social equity. For each jurisdiction, SCAG distributes the RHNA among four different income groups. This ensures that each city or county is planning for housing that meet the needs of all economic segments of the community, including lower income households.

Each city in California is required to plan for its RHNA. This does not mean the cities must acquire land or construct housing. Rather, it means that they must identify sites where the RHNA can be accommodated and adopt policies and regulations which facilitate housing construction on those sites. Ultimately, the responsibility for constructing housing falls to the private market and non-profit housing developers. Cities are expected to assist by adopting

development standards that support housing at a variety of densities, providing technical assistance and infrastructure, and adopting policies that encourage housing production, conservation, and assistance to persons with special needs.

In Rolling Hills, the RHNA for 2021-2029 is 45 units. This includes 20 very low income units, 9 low income units, 11 moderate income units, and 5 above moderate income units.[1] The 2021-2029 Housing Element demonstrates that the City has the capacity to accommodate this assignment.

1.3.3 HCD Review Authority and Compliance Requirements

Once the Housing Element is adopted, it is submitted to HCD to determine whether, in HCD's view, the Housing Element "substantially complies" with state Housing Element Law. HCD's compliance determination is based in part on a detailed checklist corresponding to specific requirements set forth by the Government Code. Once certified, HCD still has the authority to find a city out of compliance if it finds that city is taking actions that are inconsistent with its Housing Element or failing to implement the programs listed in its Element.

Localities without an HCD-certified Housing Element are subject to a growing number of penalties and potential risks. This includes litigation from housing organizations, developers, and HCD itself. In addition to legal costs, potential consequences include suspension of local control of building matters and court approval of housing development. Courts can also levy costly fines on local governments and mandate streamlined and less rigorous approvals. Cities also become ineligible for numerous state local funding programs, including those supporting infrastructure and roads, as well as housing and planning.

1.4 Relationship to Other General Plan Elements

The Government Code requires internal consistency among the various elements of a General Plan. Section 65300.5 of the Government Code states that "the General Plan and the parts and elements thereof shall comprise an integrated and an internally consistent and compatible statement of policies."

The Rolling Hills General Plan contains the following six elements: 1) Land Use; 2) Housing; 3) Circulation; 4) Open Space and Conservation; 5) Safety; and 6) Noise. The General Plan is internally consistent, meaning that the policies in different elements complement and support one another. The Housing Element reflects the policy direction provided by the other General Plan elements. For example, it references the residential densities established in the Land Use Element and the natural constraints identified in the Safety Element. The City amended its Land Use Element in early 2021 to maintain consistency with its new Housing Plan. It ~~is also~~ adopted a revised ~~revising its~~ Safety Element in March 2022 to comply with new provisions of the Government Code ~~that are triggered by amendments to the General Plan, including adoption of a new Housing Element~~.

[1] *See Section 3.2.5 of this document for a definition of these income categories*

Pursuant to Government Code Section 65400, the City will annually review its progress in implementing this Housing Element. This review will help ensure consistency between this Element and the other General Plan Elements.

1.5 Relationship to Private Land Use Restrictions

Most of the developable property in Rolling Hills is subject to covenants, conditions, and restrictions (CC&Rs) adopted by the Rolling Hills Community Association (RHCA), a non-profit California Corporation and homeowners association. RHCA is governed by elected Rolling Hills residents and oversees and enforces implementation of the CC&Rs. The CC&Rs run with each property in perpetuity and cover all properties in the City except those listed below:

1. City Hall Complex
2. Tennis Court Facility
3. Palos Verdes Peninsula Unified School District property
4. Daughters of Mary and Joseph Retreat Center

CC&Rs represent private contractual obligations between homeowners and are usually established at the time a subdivision or community is built. Development in Rolling Hills has been governed by CC&Rs since the community was planned in the 1930s. The RHCA and the CC&Rs were in force prior to the City's incorporation, which occurred in 1957. The City of Rolling Hills has no jurisdiction over the RHCA or the content or implementation of the CC&Rs.

The CC&Rs limit the density on most parcels in Rolling Hills to one residence per one-acre or two-acre lot. In addition, any construction, remodel, or grading for a building, fence or structure is required under the CC&Rs to adhere to traditional or California ranch and equestrian architectural styles and aesthetics. The uses and purposes of all perimeter easements around each property are required to be dedicated to the RHCA and maintained for the purposes of ingress, egress, construction, and maintenance of all infrastructure constructed as roadways, bridle trials, storm drains, utility access and drainage.

In some instances, State law may supersede the authority of CC&Rs. For example, AB 670 (Cal Civil Code 4751—effective January 1, 2020) limits CC&Rs from placing unreasonable limitations on accessory dwelling units (ADUs). To the greatest extent feasible, the programs in this Housing Element reflect the requirements of State law while maintaining the integrity of the CC&Rs. CC&Rs that directly conflict with State or Federal law are not enforceable.

1.6 Public Participation and Project Timeline

The City of Rolling Hills has made a diligent effort to engage the community in the Housing Element update. The process was structured as a continuation of the previous (2014-2021) Housing Element update, which included an initial phase in 2013-14 when the Element was adopted and a second phase in 2020-2021 when the adopted Element was amended and resubmitted to the State for a compliance determination. The 2020-2021 amendments coincided with the Sixth Cycle engagement processes that were underway throughout Southern

California cities at that time. Although the focus of the 2020-2021 effort was on Fifth Cycle compliance, the process provided an opportunity to engage the community in a broader conversation about housing, the RHNA process, and new State requirements.

SCAG began the RHNA process for the Sixth Cycle in Fall 2019, exploring different methodologies for allocating the regional need to individual cities and counties. As other cities began work on their Sixth Cycle Elements, Rolling Hills was required to first amend its Fifth Cycle Element to accommodate both the current (Fifth) cycle and the prior (Fourth) cycle RHNA allocations due to its non-compliant status. The combined RHNA for the two cycles was 28 units. Accommodating this need meant that Rolling Hills was also required to amend its General Plan and zoning to create additional housing capacity.

The City held a public hearing on the Housing Element on November 25, 2019. The meeting focused on potential sites for rezoning and related development impacts. The meeting was widely noticed through advertisements in the Palos Verdes Peninsula News, an announcement in the City newsletter, posting at City Hall, and an email to the City's interested parties list.

The Draft RHNA numbers were published in March 2020. Rolling Hills did not appeal its allocation, instead focusing its efforts on continued outreach and engagement to certify the Fifth Cycle Element and lay the groundwork for the Sixth Cycle. This outreach included nine public hearings related to the Housing Element on the following dates:

- October 20, 2020 (Planning Commission)
- November 9, 2020 (City Council)
- December 22, 2020 (Planning Commission)
- January 25, 2021 (City Council)
- February 5, 2021 (Planning Commission)
- February 8, 2021 (City Council)
- February 22, 2021 (City Council)
- March 8, 2021 (City Council)
- March 16, 2021 (Planning Commission)

The outcome of these meetings included adoption of the Rancho Del Mar Overlay Zone, new provisions for by-right affordable multi-family housing and emergency shelter, amendments to the Land Use Element of the General Plan, and various changes to the Municipal Code to facilitate housing production. On June 1, 2021, the Planning Commission recommended that the City Council adopt the amended Fifth Cycle Housing Element. The Council took action on June 14, 2021. The Element was submitted to HCD and found to be in compliance on July 7, 2021. As a result of the compliance determination, the City does not have to carry over its prior allocation and may plan only for the 45 units identified in the Sixth Cycle RHNA.

In addition to the public hearings described above, staff conducted direct outreach to Rolling Hills residents in 2020 and 2021 through newsletters, including a survey on Accessory Dwelling Units (ADUs) administered to every household in the city. More than 30 percent of the city's households completed the survey, and a report on the findings was prepared (it is included as Appendix C to this Element).

The City continued its public outreach efforts after adoption of the revised Element in July 2021.

A special session of the Planning Commission was convened on October 19, 2021 to provide an overview of the Sixth Cycle Element and solicit input from the entire community. In addition, public hearings on the HCD Draft Element were convened by the Planning Commission on December 16, 2021 and by the City Council on January 10, 2022. In March 2022, the City convened a public meeting on the Annual Progress Report, providing another opportunity for public input on housing issues as well as an opportunity to evaluate progress in Housing Element implementation. Additional public hearings were ~~will be~~ held on May 17 (Planning Commission) and May 23 (City Council) after the document was ~~is~~ revised and presented for adoption.

The City has endeavored to solicit input from all economic segments of the community, including local renters as well as homeowners. It has also incorporated this input in the Housing Element. In surveys and public hearings, the community generally supported the Rancho Del Mar site as the preferred location for accommodating denser housing, and also supported meeting the RHNA primarily through accessory dwelling units (ADU). Both of these concepts are reflected in this document. Housing advocacy groups also provided letters to the City encouraging ADU development, which helped shape Housing Element programs. In addition, the community was especially concerned about the housing needs of older adults. Thus, policies relating to special needs populations and lower income households focus on the needs of seniors, particularly those who may need assistance with the maintenance of their homes and properties, or adaptive changes to facilitate aging in place.

City staff has also engaged service providers, the development community, and partner agencies such as the School District in the process. As a small community, most residents rely on the City newsletter for information on local government affairs. The City has featured the Housing Element in newsletter articles and encouraged residents to share their views on proposed housing policies. Publication of the "HCD Review Draft" was announced in the City's newsletter during the first week of December 2021. More than 30 stakeholder organizations on the Palos Verdes Peninsula, and in the South Bay, Los Angeles, and Long Beach regions were notified of the document's availability for 30-day review and comment. These agencies were also notified when the document was brought back to the Planning Commission and City Council for adoption.

In addition, as required by SB 1087, the City sent an electronic copy of its Housing Element to the appropriate water and sewer providers immediately after adoption. The document was accompanied by a letter reminding these agencies they must have adopted written policies and procedures that grant a priority for service hook-ups to developments that help meet the community's share of the regional need for lower-income housing.

1.7 Data Sources

The Housing Element is a data-driven document, with policies and programs that are based on analyses of demographics, housing conditions, resource constraints, and forecasts. The primary data sources consulted were:

- Rolling Hills General Plan, as amended
- Rolling Hills Municipal Code
- Southern California Association of Governments (SCAG) Final Regional Housing Needs Allocation Plan, adopted March 4, 2021
- SCAG "pre-approved" Housing Element data set for Rolling Hills, 2020
- City of Rolling Hills Planning Department records (building permits, etc.)
- American Community Survey, 2015-2019
- US Census (1990, 2000, 2010)
- US Census August 12, 2021 data release from the 2020 Census
- Department of Finance Table E-5, population and housing estimates, 2010-2021
- California Economic Development Department (EDD) Labor Force Data
- Rolling Hills Local Hazard Mitigation Plan
- County of Los Angeles (data on homelessness)

2.0 Evaluation of Prior Housing Element

2.1 Purpose

Government Code Section 65588 requires each local government to periodically review its housing element to:

(1) Evaluate the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal, which is to provide decent housing and a suitable living environment for every Californian.
(2) Evaluate the effectiveness of the housing element in attainment of the community's housing goals and objectives.
(3) Discuss the progress of the city or county in implementation of the housing element.

2.2 2014-2021 RHNA and Actual Housing Production

The City's Regional Housing Needs Allocation (RHNA) for the prior (2014-2021) period was six units. This included two very low income units, one low income unit, one moderate income unit, and two above moderate income units. Rolling Hills also had a "carry-over" requirement of 22 units from the prior (2006-2013) planning period, including six very low, four low, four moderate, and eight above moderate income units. The 2014-2021 Housing Element identified the capacity to meet the combined two-cycle (2006-2021) need.

Actual housing construction during 2014-2021 was five units. There were four new market rate (e.g., "above-moderate income") single-family homes completed on previously vacant lots over the 2014-2021 period.[1] Another three single family homes were approved on vacant lots but have not yet been constructed. There was one accessory dwelling unit (ADU) completed. It is estimated to be a moderate-income unit based on its size (720 square feet). Another six ADUs were approved between September 2020 and September 2021.[2] Three more were pending as of October 15, 2021. All of these units will become available for occupancy during the Sixth Cycle.

There were no new low or very low-income units recorded during the Fifth Cycle, although lower income households may have secured housing in the city through room rentals, on-site employment (caregivers, etc,), or housing provided at nominal or no charge (family members, domestic staff, etc.). Production of deed-restricted lower-income housing units during the 2014-2021 planning period was constrained by the high cost of land and construction, limited opportunities for multi-family housing, and limits to Accessory Dwelling Unit (ADU) development during the first half of the planning period. The latter two constraints were removed over the course of the planning period, placing the City in a better position to meet its targets during the upcoming 2021-2029 period.

[1] There were also 12 new homes built on sites that previously included single family homes, with no net gain in units (e.g., "tear downs")
[2] The six ADUs approved in 2020-2021 were in various states of completion in October 2021 and are all counted toward the Sixth Cycle RHNA rather than the Fifth Cycle.

2.3 Review of Prior Housing Element Goals and Policies

The next section of this chapter systematically evaluates the policies and actions of the previous Housing Element and reports on implementation progress. The 2014-2021 Element included four goals, each of which included related policies. The goals and policies are evaluated below.

2.3.1 Progress on Goal 1: Housing that Meets the Needs of Rolling Hills Residents

This goal expresses one of the main purposes of the Housing Element. It remains relevant and should be carried forward. The City worked to accomplish this goal throughout the 2014-2021 planning period through its planning, zoning, building, code enforcement, and fire safety programs.

Policy 1.1 called for evaluating ways to assist special needs populations. The largest population with special needs in Rolling Hills consists of seniors, including those with disabilities. The City continues to implement programs to assist seniors with housing, transportation, emergency preparedness, and access to social services. The policy should be carried forward. Policy 1.2 called for working with other governmental entities to explore providing affordable housing in the South Bay region. This occurs on an ongoing basis through the city's participation in SCAG, communication and liaison with developers, and meetings with planners and housing organizations on the Palos Verdes Peninsula and throughout Los Angeles County. Policy 1.3 called for encouraging energy conservation and weatherization. The City implements this policy through its planning and building regulations, including Title 24. It also works with residents interested in solar installation and weatherization.

Policy 1.4 expresses the City's commitment to facilitating a variety of housing types. The City made significant progress through its creation of the Rancho Del Mar Overlay zone, permitting of accessory dwelling units by right, and allowance of emergency shelter and single room occupancy dwellings. Given community context, constraints, and development costs, ADUs and home sharing provide the best solution for meeting the needs of all income groups. Policy 1.5 recommends effective community participation. The City produces a twice-monthly newsletter which is delivered to all households and uses its website to keep the community informed. It has used a variety of methods, such as surveys and workshops, to involve the public. Given the community's small size and engaged population, there is a very high level of awareness of housing issues and requirements. Policy 1.6 calls for the City to participate in countywide programs to meet the needs of unsheltered residents. This continues on an ongoing basis.

2.3.2 Progress on Goal 2: Maintain and Enhance the Quality of Residential Neighborhoods

Maintaining the city's neighborhoods as great places to live is the fundamental purpose of the City's General Plan. As a built out community with extreme natural hazards and constraints, this goal is primarily covered by the Land Use and Safety Elements. Nonetheless, it is appropriate to include policies in the Housing Element addressing conservation of the existing housing stock, as well as management of home alterations and additions. There are five policies in the 2013-2021 Element, and they all remain relevant.

Policy 2.1 is to encourage and assist in the maintenance and improvement of existing homes. The City does this through its planning and building processes, and works closely with homeowners to support home improvements. Policy 2.2 requires housing that complies with building code requirements. This could be restated in the updated Element, since compliance with the building code is required under State law. Policy 2.3 requires "compatible design" that minimizes impacts on adjacent neighborhoods. This remains valid, but should reference the zoning ordinance as the source of objective design standards that clarify the meaning of "compatible design."

Policy 2.4 calls for code enforcement to maintain housing, which is still relevant. Policy 2.5 allows for ADUs and Junior ADUs (JADUs) in all residential zones. Consistent with State law, the City implemented regulations allowing ADUs in all zones in 2018 and amended those regulations in 2020. The policy should be retained, as it provides the foundation for related regulations in the Municipal Code.

2.3.3 Progress on Goal 3: Provide Housing Services to Address the Needs of the City's Seniors

Seniors/older adults are the predominant special needs group in Rolling Hills. The Housing Element Needs Assessment confirms that a significant number of the city's seniors have disabilities, are living alone, and may have difficulty covering their housing expenses.

Policy 3.1 calls for housing reference and referral services for seniors, which is still relevant and implemented on an ongoing basis. The Rolling Hills Community Association formed a committee in 2014 to specifically focus on the needs of seniors. Policy 3.2 calls for more information on shared housing, which remains valid. Policy 3.3 recommends reverse mortgage loans for seniors with limited incomes. Given the mixed success of reverse mortgage programs, the City should consider replacing this policy with others relating to the needs of seniors. For instance, it could indicate that affordable senior housing be considered on the Rancho Del Mar site. Policy 3.4 promotes opportunities for live-in care or family members who can assist mobility-impaired or elderly residents. This remains relevant and should be carried forward. Other policies addressing the housing needs of seniors could be considered.

2.3.4 Progress on Goal 4: Fair Housing

Goal 4 directs the city to "Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, disability status, or national origin." The importance of this goal has been elevated by AB 686, and it should be retained. There are four policies listed in the Fifth Cycle Element to implement this goal.

Policy 4.1 indicates the City should "affirm a positive action posture" and enforce all applicable laws and policies. This policy could potentially be simplified to focus on enforcement. Policy 4.2 specifically covers the needs of persons with disabilities. It should be carried forward. Policy 4.3 relates to making information on housing laws available to the community at City Hall. It is implemented on an ongoing basis but should be clarified to include information on the City's website as well as City Hall. Policy 4.4 expresses a commitment to investigate alleged violations of fair housing laws. This should be carried forward, with reference to the partner entities the

City works with on such investigations. Additional policies on fair housing related to economic inclusion and opportunities for lower income households should be considered.

2.3.5 Cumulative Evaluation of Effectiveness of Prior Element in Addressing Special Housing Needs

The State Department of Housing and Community Development has requested that the City include an "a cumulative evaluation of the effectiveness of past 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)."

As a small city with only 640 households and a staff of six full-time employees, the City's capacity for providing services to special needs populations is limited. The greatest emphasis has been on seniors, who are present in 56 percent of the city's households and represent one-third of the population. The City's 5th Cycle Housing Element included a goal addressing the needs of seniors but it did not include a more generalized goal addressing special needs populations. This has been addressed in the 6th Cycle Element by broadening the goal to address other special needs categories.

As noted on P. 2-3, Rolling Hills has worked effectively to meet the needs of seniors through its partnerships with the Rolling Hills Community Association (and their Senior Committee), its support for shared housing and ADU programs, and its code provisions allowing live-in care providers throughout the city. Many older Rolling Hills residents have been able to age in place, retrofit their homes, and continue living in the city as a result of these policies and programs. The 2014-2021 Element also included a policy related to unhoused residents (Policy 1.6) and a policy related to persons with disabilities (Policy 6.2). As noted in Chapter 3, there are no unhoused residents in the city according to the annual "point in time" count, but Rolling Hills continues to participate in intergovernmental meetings, forums, and councils of government activities that recognize the regional nature of homelessness and the importance of regional solutions. The City has also amended its codes to allow emergency shelter by right in at least one zoning district. The City also has adopted a Reasonable Accommodation ordinance for persons with disabilities and supports home improvements to facilitate aging in place and access for residents with disabilities. On a cumulative basis, these measures have contributed to the health, safety, and welfare of all Rolling Hills residents and to the quality of life and condition of housing in the city.

Both the 2014-2021 Needs Assessment and the 2021-2029 Needs Assessment determined that there were not significant housing needs associated with large households, female-headed households, or farmworkers in the city.

2.4 Implementation Status of Prior Housing Element Programs

The 2014-2021 Housing Element included 24 implementation programs. Table 2-1 below indicates the status of each program as of October 2021. The table indicates whether the program has been accomplished or should be carried forward, revised, or deleted.

Table 2-1: Implementation Status of 2014-2021 Housing Element Programs

Prog.	Description	Status
1	Prepare an annual housing progress report	*CARRY FORWARD.* The City filed its annual Housing Progress Report for 2021 on March 29, 2022 ~~in 2020~~ and should continue to do so in future years.
2	Amend the Land Use Element to permit a variety of housing types	*ACCOMPLISHED.* This program may be removed from the Housing Element, as it was accomplished in March 2021. The City amended its General Plan to permit by right multi-family development, emergency shelter, and single room occupancy housing in the Rancho Del Mar Overlay Zone.
3	Create an Affordable Housing Overlay Zone (AHOZ)	*ACCOMPLISHED.* This program may be removed from the Housing Element or merged with the program to periodically evaluate the Overlay Zone and determine if changes are needed (See Program 13). The City adopted a 31-acre Overlay in February 2021 (known as the Rancho Del Mar Overlay zone), allowing for by-right development of up to 16 units of affordable multi-family housing (20 units per acre) on the Rancho Del Mar site on Crest Road West.
4	Determine next steps for PVUSD housing opportunity	*CARRY FORWARD.* The City Manager meets with the PVUSD Superintendent regularly to discuss issues of concern, including the future of the PVUSD property. Other aspects of Program 4, including meeting with developers and providing input to parties interested in this site, should be retained and implemented on an ongoing basis.
5	Adopt zoning for emergency shelter.	*ACCOMPLISHED.* This action was completed in February 2021. The City permits emergency shelter up to 12 beds by right in the Rancho Del Mar Overlay Zoning district. A replacement program should be included, identifying ongoing measures the City will take to address the needs of unhoused residents.

Prog.	Description	Status
6	Adopt zoning for single room occupancy (SRO) units.	*ACCOMPLISHED.* This action was completed in February 2021. The City permits SROs of 6-8 units as a conditional use in the Rancho Del Mar Overlay Zoning district, subject to objective operational and performance standards.
7	Adopt a Reasonable Accommodation Policy	*ACCOMPLISHED.* The City of Rolling Hills adopted a Reasonable Accommodation policy in October 2020. The policy establishes a formal procedure through a which a person with disabilities may request reasonable accommodation in order to have equal access to housing. This program may be replaced with other actions to assist residents with disabilities.
8	Add definitions of Transitional/ Supportive Housing and Employee Housing to Municipal Code	*CARRY FORWARD.* This program has not yet been implemented. The 2014-2021 Housing Element clarifies that supportive and transitional housing may not be subject to requirements or standards other than those that apply to similar dwelling unit types in the same zones. However, the program must still be codified through a Municipal Code amendment.
9	Adopt density bonus requirements	*CARRY FORWARD.* This program has not yet been implemented. Any project including units eligible for a density bonus would be subject to State density bonus rules. The City should amend its Municipal Code for consistency with these rules, and expressly identify opportunities and rules for density bonuses.
10	Adopt and periodically update accessory dwelling unit (ADU) regulations	*REVISE.* The City adopted ADU regulations in 2018 and amended these regulations in January 2020 to incorporate new State laws. This action should be replaced with one or more new actions related to ADUs, including incentives to promote their use as affordable housing.
11	Implement ADU education, outreach, and community engagement measures	*REVISE.* The City has provided information on ADUs to the community since 2018 and should continue to do so in the future. Newsletter articles and web-based information have been provided and a citywide survey on ADUs was administered in 2020. Potential outreach measures are listed in the 2014-2021 Element and should be carried forward. Staff time should be allocated to these activities to ensure they are implemented. This includes coordination with Rolling Hills Community Association to ensure that design review practices do not constrain ADU production or add to their cost. Future activities could include prototype floor plans and designs, FAQs, community workshops, and tenant matching services.

Prog.	Description	Status
12	Develop incentives to encourage ADU production	*REVISE.* This program suggested reaching out to at least five cities and two non-profits to develop a suite of best practices for incentivizing ADUs. Based on the findings, the program recommended incentives such as fee reductions, streamlined permitting, and funding for septic system expansion to make it easier and more affordable to add ADUs. The City has begun implementing this program by participating in a South Bay Cities Council of Governments collaborative that helps residents calculate the cost and revenue for adding an ADU (see https://southbaycities.aducalculator.org/). Additional measures will be considered in the future. ~~has not yet been implemented due to lack of staff but it remains relevant.~~
13	Monitor the effectiveness of the Affordable Housing Overlay Zone (AHOZ) and consider future multi-family housing opportunities	*REVISE.* There are two parts to this program. The first is monitoring the effectiveness of the Rancho Del Mar Overlay Zone to determine if it is achieving its intended purpose. This should be retained. The second part of the program is to evaluate other multi-family housing opportunities. This is occurring through preparation of the Sixth Cycle Element and should continue through 2029.
14	Assist Extremely Low Income (ELI) households	*CARRY FORWARD.* This program is implemented by facilitating housing for family members, caregivers and domestic employees, and by assisting elder Rolling Hills homeowners on fixed incomes with home maintenance, home sharing, ADU construction, and other actions that reduce housing cost burdens. The program should be carried forward.
15	Facilitate communication with affordable housing service providers, developers, and advocates	*CARRY FORWARD.* The program recommends coordinating with affordable housing organizations to facilitate housing assistance and production for lower income households. The City implements this program on an on-going basis and should continue to do so in the future.
16	Provide public information on home sharing programs	*CARRY FORWARD.* This program references a number of home sharing programs in Los Angeles County and suggests that Rolling Hills provide information about these programs on its website and at City Hall. This is a relatively low-cost measure that can help seniors, young adults, and local employees find housing options in the city. It should be retained.

Prog.	Description	Status
17	Provide information about reverse mortgages	*DELETE.* While reverse mortgages may be helpful for some households, there may also be downsides associated with high closing costs, fees, and unfavorable repayment terms. There is also a risk of fraud. The City may not wish to take an advocacy position promoting reverse mortgages due to the risks involved. Local homeowners may still consider this option should they choose to do so. The program could also be revised to focus on consumer protection issues related to reverse mortgages.
18	Undertake sewer feasibility and design studies	*REVISE.* This program should be updated to reflect the current status of sewer feasibility and design studies. A feasibility study was initiated in 2020 and design plans are nearing completion. The updated Housing Element program should reflect the findings of these studies, as well as Council direction.
19	Implement Best Management Practices to improve stormwater	*REVISE.* The City has continued to implement municipal storm water management measures to reduce urban runoff pollution. It will continue to do so in the future as conditions and requirements change. This program could potentially be deleted or combined with Program 18.
20	Maintain code enforcement procedures	*REVISE.* This program called for hiring a full-time Code Enforcement Officer, which was accomplished in 2019. There is an ongoing need for enforcement of planning and building codes in order to conserve housing quality and correct structural deficiencies. Violations have been consistently abated in order to maintain public safety and community standards. The program should be updated and retained.
21	Encourage energy conservation	*CARRY FORWARD.* This program continues to be relevant and informs City actions relating to weatherization, solar installations, and other steps to reduce home energy costs and promote clean energy. The program references various links on the City's website to energy conservation programs, and financial assistance for home energy costs. It should be carried forward.
22	Facilitate new construction and remodels	*CARRY FORWARD.* This is a general program that encourages the City to work with applicants, builders, property owners, and others to produce new market rate housing and to facilitate permits for home improvements. It supports permit streamlining and efficiency, and transparency in the planning and building processes. It should be carried forward.

Prog.	Description	Status
23	Explore solutions to ground stability and landslide problems	CARRY FORWARD. The City implements this program on an ongoing basis through requirements for soils and geology reports, as well as grading standards and grading permit requirements. It continues to allow and support repair work on landslide damaged homes and unstable hillsides. Given past damage caused by landslides and the vulnerability of parts of the city to future damage, this program should be retained. Reference could also be made to programs that reduce wildfire risk and promote defensible space.
24	Make Fair Housing information available to the public	REVISE. This program reflects the City's ongoing commitment to making fair housing information available to the public. Given HCD's guidelines for implementing AB 686 (Affirmatively Furthering Fair Housing), additional fair housing programs should be developed.

3.0 Housing Needs Assessment

3.1 Introduction

Each community's housing plan must be based on an analysis of local housing needs. This analysis is expressly required by the State Government Code (Section 65583(a)), and includes a comprehensive evaluation of local demographics, housing conditions, and market conditions. The analysis includes an assessment of household characteristics in the city, including household type, tenure (rent vs own), overcrowding, and percent of income spent on housing. It also evaluates the special housing needs of older adults, persons with disabilities, large families, and persons in need of emergency shelter.

The needs assessment helps ensure that the city is not only planning for its "fair share" of the *region's* housing needs, but also responding to its own *local* needs. Where appropriate, local conditions are compared to regional conditions or conditions in nearby cities to provide appropriate context. Rolling Hills is a very unique community and it is important to recognize that when planning for housing conservation and production.

Most of the data presented in this chapter is from the American Community Survey (ACS), an ongoing survey performed by the US Census to gauge population and housing conditions in between the decennial censuses. Because most 2020 Census data was not available at the time this report was prepared, the ACS data provides the most accurate information on local demographics. ACS data for Rolling Hills in 2021 is based a five-year average covering 2015-2019. However, the ACS is based on a sample of the population, so there is a margin of error in some of the tables. Other data sources include the California Department of Finance, the County of Los Angeles, and the City of Rolling Hills. In addition, SCAG provided a "pre-HCD certified" data profile for each city in the Los Angeles region in 2019. This is referenced as appropriate throughout this chapter.

The Needs Assessment is broken into five sections as follows:

- Section 3.2 covers population characteristics, such as age, race, and total rate of growth
- Section 3.3 covers household characteristics, such as presence of children and home ownership
- Section 3.4 addresses special housing needs
- Section 3.5 covers housing stock characteristics
- Section 3.6 covers growth forecasts and the RHNA for the 2021-2029 period

The Needs Assessment is supplemented by Appendix "A", which looks specifically at the recent State mandate to "affirmatively further fair housing" through the Housing Element. Appendix A focuses on regional patterns of segregation and inequity in order to inform local fair housing policies.

3.2 Population Characteristics

3.2.1 Total Population

Table 3.1 shows population data for Rolling Hills over a 50-year period. The City's population was 2,050 in 1970 and has declined by more than 300 residents since then. Between 1980 and 1990, Rolling Hills lost nearly 9 percent of its population. The decline was the result of several factors, including smaller households, fewer children, and the loss of homes due to wildfire and landslides. Change between 1990 and 2010 was minimal. There were 1,871 residents in 1990 and 1,860 residents in 2010. The August 12, 2021 US Census data release reported a population of 1,739 residents, a 6.5 percent drop relative to 2010. The Census figure is substantially lower than the Department of Finance estimate of 1,866, which was made on January 1, 2021.

Table 3.1: Rolling Hills Population, 1970-2021[1]

	Population	Percent Change
1970	2,050	--
1980	2,049	0
1990	1,871	-8.7%
2000	1,871	0
2010	1,860	-0.6%
2021 (DOF)	1,866	0.3%
2020 (Census)	*1,739*	*-6.5%*

Sources: US Decennial Census, 1970-2010. California Dept. of Finance, 1/1/21 estimate, 2020 Census (8/12/21 release)

Table 3.2 compares population change in Rolling Hills with the region, the County, and the other cities on the Palos Verdes Peninsula using data from the California Department of Finance. The six-county Los Angeles region grew 14.4 percent between 2000 and 2021, from 16.5 million residents to nearly 19 million residents. Los Angeles County grew by 5.2 percent, reflecting its more urbanized character and larger population base. By contrast, the rate of growth on the Palos Verdes Peninsula during this 21-year period was just 1.1 percent. While Rolling Hills Estates grew by 5.5 percent, the other three cities have roughly the same number of residents today as they did 20 years ago. The Peninsula communities are mature, with limited vacant and re-developable land, high land costs, and environmental constraints that limit population growth.

[1] *The ACS data sets for Rolling Hills for 2015-2019 show a citywide population of 1,513 residents. This is 15 percent below the actual population, which was reported to be 1,739 residents in the 2020 Census data released on August 12, 2021. In addition, SCAG reported the population at 1,939 residents (in 2018), while the State Department of Finance reported 1,866 residents. These discrepancies are due to sampling errors resulting from the small size of Rolling Hills' population. As a result, charts are used (rather than tables) for some of the variables discussed below. This allows the analysis to focus on change over time rather than total values.*

Table 3.2: Comparison of Rolling Hills Growth with Nearby Cities and Region, 2000-2021

	Population		Percent Change
	2000	2021	
Rolling Hills	1,871	1,866(*)	-0.3
Rolling Hills Estates	7,676	8,098	5.5
Rancho Palos Verdes	41,145	41,541	0.9
Palos Verdes Estates	13,340	13,286	-0.4
Los Angeles County	9,542,000	10,044,458	5.3
SCAG Region	16,547,000	18,954,083	14.4

Sources: US Decennial Census, 2000. California Dept. of Finance, 1/1/21 estimate
(*) August 12, 2021 Census data release shows 1,739 residents, which is a 7.1 decrease since 2000

3.2.2 Age

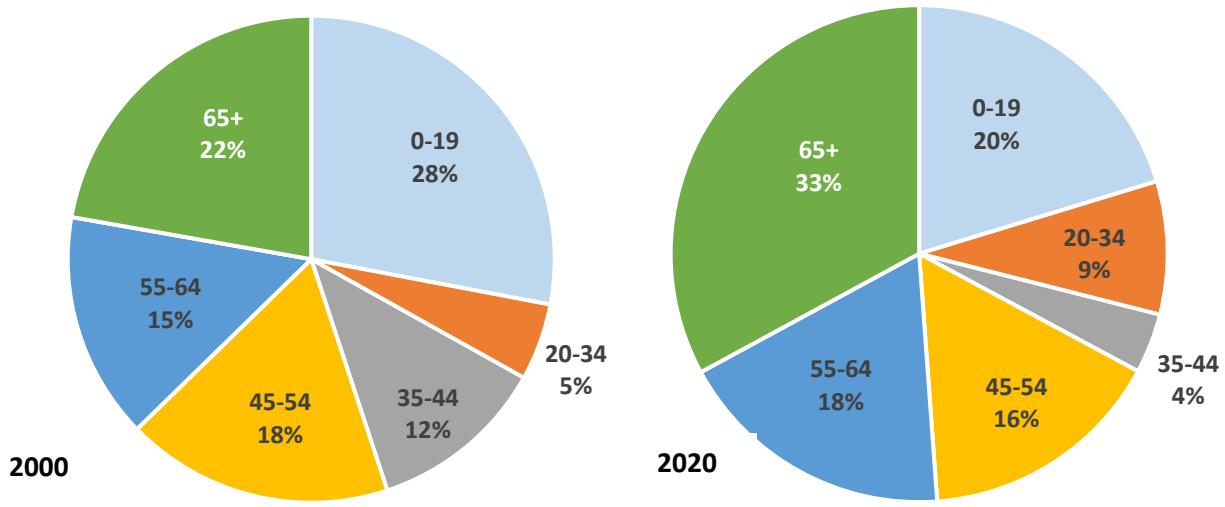
The age structure of the population has a strong influence on housing needs. For example, if a city is experiencing an outmigration of young adults (ages 25-34), it often indicates a shortage of rental housing or entry-level housing opportunities. If a city has a high percentage of residents over 75, it often indicates a need for special housing types, such as assisted living or single-story homes---or programs to assist with home rehabilitation.

Chart 3.1 shows the age distribution of Rolling Hills residents in 2000 and 2020. The chart illustrates significant shifts, including a decrease in the number of children (from 28% of the population in 2000 to 20% in 2020) and an increase in the number of persons over 65 (from 22% of the population in 2000 to 33% in 2020). The percentage of residents aged 20-34 nearly doubled over the 20-year period, likely as a result of adult children moving back home or delaying entry into the housing market due to high housing costs. The percent of residents 35-44 dropped significantly, likely because of limited local housing options for young families and mid-career adults.

The median age in Rolling Hills has steadily increased over the last 40 years. In 1980, it was 38.2. It increased to 45.5 in 1990, 48 in 2000, and in 52 in 2010. By 2020, the median age was 55.3, meaning that half of all residents are older than 55 and half are 55 or younger. By contrast, the median age in Los Angeles County is 36.5. Rolling Hills also has a higher median age than the other cities on the Palos Verdes Peninsula (Rolling Hills Estates: 50.1; Palos Verdes Estates: 52.2; Rancho Palos Verdes: 50.0).

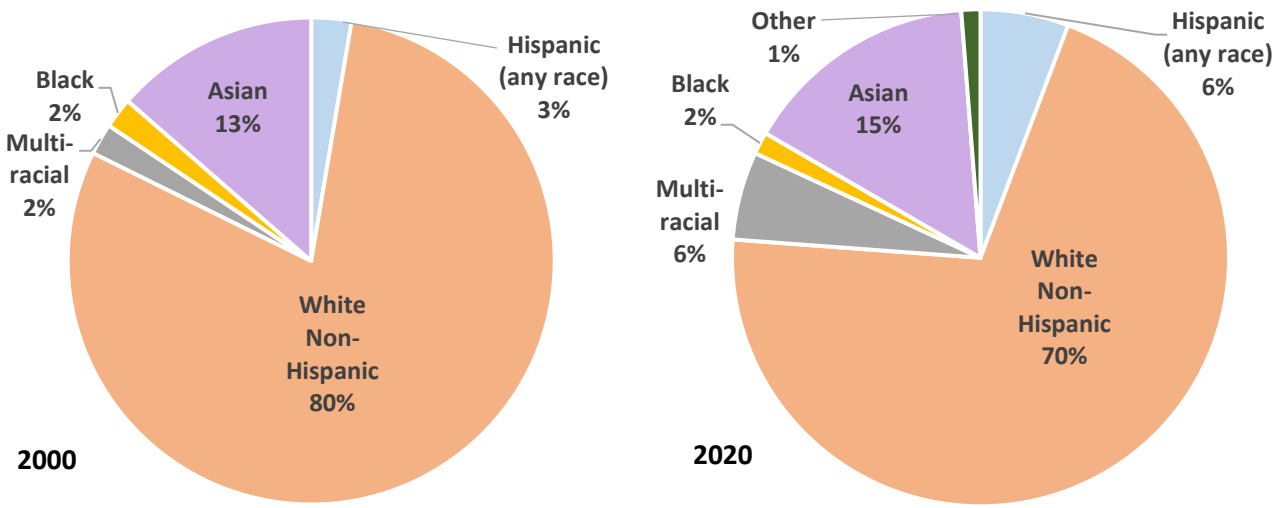
Census data indicates that one-third of Rolling Hills' residents over 65 are 80 or older. This cohort represents more than 10 percent of the City's population, a substantially higher share than in most communities in California.

Chart 3.1: Age Distribution of Rolling Hills Residents, 2000 and 2020



Source: US Census, 2000. ACS, 2021 (for 2015-2019 sample period)

Chart 3.2: Racial Distribution of Rolling Hills Residents, 2000 and 2020



Source: US Census, 2000 and ACS, 2021 (for 2015-2019 sample period)

3.2.3 Race and Ethnicity

Racial and ethnic composition may affect housing needs due to the cultural preferences of certain groups (including extended families, multi-generational families, etc). In addition, certain groups have historically faced discrimination due to the lending policies of financial institutions, former covenants and ownership restrictions, and past racial bias.

Chart 3.2 shows the racial distribution of Rolling Hills residents in 2000 and 2020. The city has become more diverse over time, with the Non-Hispanic White population declining from 80 percent to 70 percent of the total. The Hispanic population (any race) roughly doubled over the 20-year period, although relative to the total population, the numbers are still small. Approximately 6 percent of the City's residents are Hispanic.

The percentage of African-American residents remained at about 2 percent of the population between 2000 and 2020. During this same period, the number of residents of Asian or Pacific Island descent increased from 13 percent to 16 percent of the city's total. According to the Census, the largest Asian ethnic groups in the city are Chinese (6.5 percent) and Korean (5.1 percent). The number of residents indicating they were more than one race more than doubled between 2000 and 2020, with multi-racial residents representing about 6 percent of the 2020 population.

Relative to the County of Los Angeles and the State of California, Rolling Hills and the four cities on the Palos Verdes Peninsula have a substantially higher White Non-Hispanic population. Table 3.3 compares race and ethnicity in Rolling Hills, the Peninsula cities, Los Angeles County, and the State as a whole. Nearly half of the County's residents, and more than one-third of the State's residents, are Hispanic. By contrast, less than 10 percent of the residents in the Peninsula cities are Hispanic. The Peninsula cities tend to have higher percentages of Asian and Pacific Islander residents, and more multi-racial residents.

Table 3.3: Race and Ethnicity in Rolling Hills, Peninsula Cities, Los Angeles County, and State, 2020

	Percent of Total			
	Rolling Hills	**Palos Verdes Peninsula***	**Los Angeles County**	**State of California**
Non-Hispanic White	71.3%	54.4%	26.2%	37.2%
Hispanic (all races)	5.8%	9.7%	48.5%	39.0%
Black/ African American	1.5%	1.6%	7.8%	5.5%
Native American/Alaskan	N/A	0.1%	0.2%	0.4%
Asian	15.6%	28.8%	14.4%	14.3%
Pacific Islander/Hawaiian	N/A	0.6%	0.2%	0.4%
Other	N/A	0.1%	0.3%	0.3%
Multi-Racial	5.8%	4.7%	2.3%	3.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

Sources: US Decennial Census, 2020.
(*) Rolling Hills, Rolling Hills Estates, Rancho Palos Verdes, Palos Verdes Estates

The August 2021 release of 2020 Census data shows that the ACS may have underestimated the diversity of Rolling Hills' population. The 2020 Census indicated that 66 percent of the city's residents are White, 20.5 percent are Asian, 10.4 percent are more than one race, 1.3 percent are Black, and 1.9 percent are Other. The Census further indicated that 7.0 percent of the city's residents were Hispanic (includes all races).

3.2.4 Language

Based on ACS data for 2015-2019, 79 percent of the City's residents speak only English at home.[2] Of the roughly 300 Rolling Hills residents speaking a language other than English at home, 18 percent speak Spanish, 56 percent speak an Asian language, and 26 percent speak another Indo-European language. Most of these residents are bilingual and are fluent in English. About 66 percent of those speaking a foreign language at home indicated they also spoke English "very well." Of the remaining 34 percent, about half spoke an Asian language. Korean and Chinese were the most commonly spoken languages in those households.

Relative to other cities in Los Angeles County and the region, the percentage of "linguistically isolated" persons (i.e., those with limited English) is very low in Rolling Hills. Whereas about 6 percent of Rolling Hills' population is linguistically isolated, the percentage in Los Angeles County is about 24 percent.

3.2.5 Educational Attainment

Rolling Hills residents are highly educated. Among residents 25 or older, 97.6 percent have a high school degree. More than 70 percent have a bachelor's degree or higher, and 39 percent have a graduate or professional degree. These percentages are substantially higher than in the County as a whole.

3.2.6 Health Indicators

Health can impact housing needs both by limiting the income earning potential of residents and by creating the need for supportive services or special housing design. Based on data provided to the City by the Southern California Association of Governments, Rolling Hills health indicators are consistently better than the County as a whole. The City's obesity rate is 16.5 percent, compared to a countywide average of 28.2 percent. Its asthma rate is 10.1 percent, compared to the countywide average of 15.1 percent and its diabetes rate is 8.3 percent, compared to 12.1 percent countywide. On the other hand, Rolling Hills has a higher rate of heart disease than the County as a whole, with 9.7 percent of the population diagnosed with a heart ailment compared to 6.6 percent countywide. This is likely due to the higher percentage of older residents in the city.

[2] *American Community Survey 2015-2019, based on residents 5 years of age or older.*

3.2.7 Employment

Employment affects the demand for housing and the dynamics of the housing market. In most cities, the types of jobs that are present affect the wages paid and the ability of the local workforce to pay for housing in the city. Rolling Hills is unique in this regard, as it has no major employers or land zoned for employment uses. In 2018, the Southern California Association of Governments estimated that there were only 110 jobs in the city.[3] Employers include the City, the School District, Rolling Hills Community Association, the County Fire Department, and the Palos Verdes Transit Authority. The figure excludes construction workers, landscapers, housekeepers, child care providers, care givers, delivery workers, and others who travel to the city intermittently for work.

Data from SCAG collected prior to the COVID-19 pandemic indicates that a majority of employed residents in Rolling Hills commuted to jobs elsewhere in Los Angeles County. The largest percentages of residents commuted to Los Angeles (28.2%), Torrance (8.3%), and Long Beach (5.0%). Beyond Los Angeles County, the next largest commute destination was Orange County, including Anaheim (1.5%) and Huntington Beach (1.5%).

A relatively large percentage of Rolling Hills residents work from home. Prior to the COVID-19 pandemic, census data reported that about 18 percent of the city's employed residents worked from their homes. While data after March 2020 is not available, the percentage likely increased dramatically during the second quarter of 2020 and remained high for the rest of the year. The long-term effects of the pandemic on commute patterns are still unknown. However, the relatively large home sizes in Rolling Hills and the high percentage of the workforce in professional-sector jobs suggests that a substantial number of workers will continue to work remotely in the future.

Recent data from the California Employment Development Department (EDD) indicates there are 600 Rolling Hills residents in the labor force. EDD indicates an unemployment rate of 9.3 percent in June 2021, compared to a countywide average of 10.5 percent. The average annual unemployment rate in Rolling Hills was reported as 4.0 percent in 2019, when the countywide average was 4.4 percent. [4]

Tables 3.4 and 3.5 provides an overview of the Rolling Hills labor force, based on census data. The first table identifies the occupation of residents in the city by category, and the second classifies employed residents by industry.

A majority of the city's residents are in higher-wage professional and management occupations. Approximately 18 percent work in health care. About 13 percent work in education, legal services, arts, and media. Only a small percentage work in the service sector, and even smaller percentages work in the construction, maintenance, and transportation sectors. The largest economic sectors associated with the Rolling Hills workforce are finance, insurance, real estate, health care, and professional, scientific, and management services. The percentage of residents employed in retail sales, wholesaling, and manufacturing is much smaller than in the county as a whole.

[3] *Based on data from the California Employment Development Department*
[4] *California EDD "Labor Force and Unemployment Rate for Cities and Census Designated Places" accessed July 2021*

Table 3.4: Rolling Hills Employed Residents by Occupation

	Number of Residents Employed	Percent of Total
Management, business, and financial services occupations	185	32.9%
Computer, engineering, and science occupations	39	6.9%
Education, legal, community service, arts, and media occupations	72	12.8%
Healthcare practitioners and technical occupations	104	18.5%
Service occupations	24	4.3%
Sales and office occupations	115	20.4%
Natural resources, construction, and maintenance occupations	22	3.9%
Production, transportation, and material moving occupations	2	0.4%
TOTAL	**563**	**100.0%**

Sources: American Community Survey, 2021 (2015-2019 characteristics)

Table 3.5: Rolling Hills Employed Residents by Industry

	Number of Residents Employed	Percent of Total
Construction	24	4.3%
Manufacturing	29	5.2%
Wholesale trade	43	7.6%
Retail trade	30	5.3%
Transport/ warehousing/ utilities	4	0.7%
Information	12	2.1%
Finance/ insurance/ real estate	132	23.4%
Professional, scientific, and management, and administrative and waste management services	85	15.1%
Educational services, and health care and social assistance	146	25.9%
Arts, entertainment, and recreation, and accommodation and food services	39	6.9%
Other services, except public administration	12	2.1%
Public Administration	7	1.2%
TOTAL	**563**	**100.0%**

Sources: American Community Survey, 2021 (2015-2019 characteristics)

There are approximately six times more employed residents in Rolling Hills than jobs in Rolling Hills. The City is not expected to become an employment center in the future. Rolling Hills is currently a housing "reservoir" in that it provides far more housing than employment relative to other cities in Los Angeles County. Nearby communities with large employment bases rely on Rolling Hills to some extent to meet their housing needs, particularly at the upper range of the housing market.

3.3 Household Characteristics

The Bureau of the Census defines a "household" as "all persons who occupy a housing unit. This may include persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are classified as living in "group quarters" and are not considered households. On the other hand, a property with an occupied accessory dwelling unit may be considered to consist of two households.

Household characteristics provide important indicators of housing needs. These characteristics include household structure (families with and without children, single persons, persons sharing homes, etc.), household size (number of persons per household), tenure (renter vs owner), and household income and poverty status. Again, the US Census 2021 American Community Survey (providing sample data for 2015-2019) is regarded as the definitive source for household data and is referenced in the tables and narrative below. At the time this report was prepared, 2020 Census data for households (other than total number of households) was not yet available.

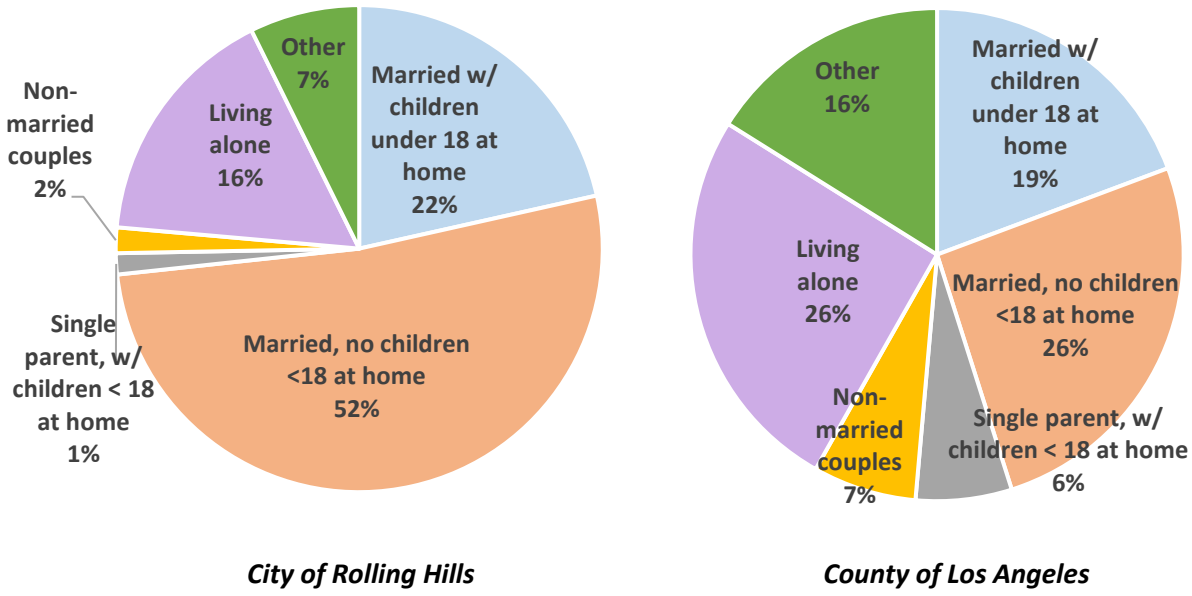
3.3.1 Household Type

Census data for Rolling Hills indicates that there is no group quarters population in the city and that all residents reside in households. Data from the California Department of Finance for January 1, 2021 indicates that there were 667 households in Rolling Hills, an increase of four households from the 2010 Census. The August 2021 release of US 2020 Census data indicates that there are 639 households in the city, which is a decrease of 24 households from 2010. The US Census data is considered more accurate, as it is based on an actual count and not an estimate.

Just over 81 percent of all households in Rolling Hills are classified as families. This percentage remained constant between 2010 and 2020. Non-family households include persons living alone and unrelated persons living in shared homes.

Chart 3.3 shows the distribution of households by category for Rolling Hills and the County of Los Angeles. Relative to the County, Rolling Hills has a much higher percentage of married couple families (74% of all households compared to 45% countywide). The City has smaller percentages of single parent households and non-married couple households than the County and the other cities on the Palos Verdes Peninsula. A much smaller share of Rolling Hills' residents live alone than in the County as a whole.

Chart 3.3: Household Type in Rolling Hills and Los Angeles County, 2021



Source: American Community Survey, 2021 (2015-2019 data)

The data for Rolling Hills reflects the community's single family housing stock. For decades, the city has attracted families with children. Couples tend to keep their homes when their children are grown, resulting in a significant number of homes (more than half) occupied by older couples with adult children and empty nesters. In fact, the Census indicates that 60 percent of the married couple households in Rolling Hills include at one person over 60 years old, compared to 38 percent in the county as a whole.

Household type in Rolling Hills has changed over the last 20 years. The percentage of people living alone has been increasing, growing from 12 percent of the population in 2000 to 16 percent in 2020. The percentage of households with children living at home has been decreasing. It was 33 percent in 2000 and 23 percent in 2020.

3.3.2 Household Size

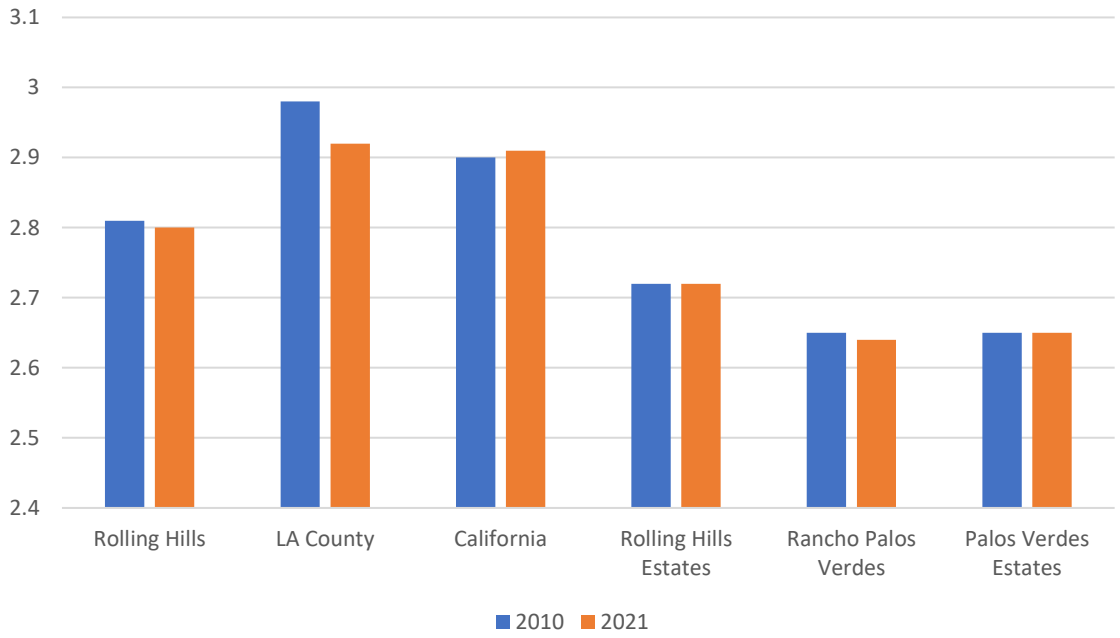
In 2020, the State Department of Finance reported the average household size in Rolling Hills as 2.80 persons. This is almost the same as it was in 2010, when average household size was reported at 2.81 persons. In general, average household size has been falling over time. It was 2.90 in 2000 and was reported as being 3.2 in the Rolling Hills General Plan (1989). Preliminary releases from the US Census (August 2021) show actual household size has fallen even further, and is now 2.72.

ACS data indicates that 16 percent of all households in the City are comprised of one person, 52 percent have two people, 10 percent have three people, and 21 percent have four or more people. By contrast, in Los Angeles County as a whole, 26 percent are comprised of one person, 28 percent of two persons, 17 percent of three persons, and 29 percent of four or more

persons. Rolling Hills has a much higher share of two-person households and smaller shares of one-person households and large households.

Chart 3.4 compares average household size in Rolling Hills, the County, the State and the other three cities on the Palos Verdes Peninsula. Data is shown for 2010 and 2021 for each city, based on California Department of Finance statistics.

Chart 3.4: Household Size in Rolling Hills and Other Jurisdictions, 2010 and 2021



Source: California Department of Finance, Table E-5, 2021

3.3.3 Overcrowding

Overcrowding may result when high housing costs prevent households from buying or renting homes that provide sufficient space for their needs. The Census defines overcrowded households as those with more than 1.01 persons per room, excluding bathrooms, hallways, and porches. Households are considered to be "severely" overcrowded if they have more than 1.51 persons per room.

Although Rolling Hills has a higher number of persons per household than the other cities on the Palos Verdes Peninsula, it does not experience overcrowding. ACS data for 2015-2019 indicate that 98.9 percent of the homes in the city have 1.0 persons per room of less. There are no households with more than 1.51 persons per room. By contrast, in the county at large, 11.3 percent of the households have more than 1.01 persons per room and 4.7 percent have more than 1.51 persons per room. Homes in Rolling Hills are generally large and owner-occupied, reducing the likelihood of future overcrowding.

3.3.4 Tenure

Tenure refers to a household's status as an owner or renter. ACS data for 2015-2019 indicate that 95.3 percent of Rolling Hills' households are homeowners and 4.7 percent are renters. This percentage has remained relatively constant over the last two decades. The 2010 Census indicated that 95.7 percent of the city's households were homeowners and that 4.3 percent were renters. This equated to 28 renter households in the entire city. Because there are no multi-family units at this time, these households are presumed to be renting single family homes.

Renter households in the city are slightly larger than owner-occupied households. The ACS data for 2015-2019 indicates an average household size of 3.07 for renters and 2.60 for owners.

3.3.5 Household Income

Income is the single most important factor in determining housing affordability. While upper income households have more discretionary income to spend on housing, lower income households are more constrained in what they can afford. The State and federal government have developed metrics for classifying households into income categories. These metrics are used to quantify what is considered an "affordable" housing unit and to determine eligibility for housing subsidies and assistance programs. All metrics are benchmarked against the areawide median income, or AMI.

State-Defined Income Categories

The commonly used income categories are as follows:

- Extremely low income 0-30% of AMI
- Very low income 30% to 50% of AMI
- Low income 50% to 80% of AMI
- Moderate income 80% to 120% of AMI
- Above Moderate income More than 120% of AMI

"Affordable housing cost" is defined by State law as being not more than 30 percent of gross household income. "Housing cost" in this context includes rent or mortgage payments, utilities, property taxes, and homeowners (or renters) insurance. The income limits are updated annually by the California Department of Housing and Community Development.

For each income category, a sliding scale is used based on the number of persons per household. This recognizes that larger households must dedicate greater shares of their income for food, health care, transportation, and other expenses. The income categories are calculated by county, resulting in different median incomes from place to place within California.

Table 3.6 shows income categories for Los Angeles County that became effective in April 2021. A two-person household earning less than $75,700 a year would be considered low income. The same household would be considered *very low* income if it earned less than $47,300 a year. For a household of four people, the threshold is $94,600 for low income and $59,100 for very low income.

Table 3.6: Income Limits for Los Angeles County, 2021[5]

Income Category	Household Size							
	1	2	3	4	5	6	7	8
Extremely Low Income	$24,850	$28,400	$31,950	$35,450	$38,300	$41,150	$44,000	$46800
Very Low Income	$41,400	$47,300	$53,200	$59,100	$63,850	$68,600	$73,300	$78,050
Low Income	$66,250	$75,700	$85,150	$94,600	$102,200	$109,750	$117,350	$124,900
Moderate Income	$67,200	$76,800	$86,400	$96,000	$103,700	$111,350	$119,050	$126,700

Source: California Department of Housing and Community Development, 2021

Table 3.7 indicates the monthly housing cost that would be considered "affordable" for households of different sizes in each income category. Using the state's definition of affordability, a low income household of four would be able to afford a monthly housing cost of $2,365. A very low income household of four could afford a monthly housing cost of $1,478. If these households are pay in excess of this amount, they are considered to be "cost-burdened." In a high-priced market like the Palos Verdes Peninsula, many low income households pay significantly more than 30 percent of their incomes on rent or mortgages. Those employed in low-wage professions in the area may commute long distances from areas with more affordable housing.

Table 3.7: Affordable Monthly Housing Costs Based on 2021 Income Limits

Income Category	Household Size							
	1	2	3	4	5	6	7	8
Extremely Low Income	$621	$710	$799	$886	$958	$1,029	$1,100	$1,170
Very Low Income	$1,035	$1,183	$1,330	$1,478	$1,596	$1,715	$1,833	$1,951
Low Income	$1,656	$1,893	$2,129	$2,365	$2,555	$2,744	$2,934	$3,123
Moderate Income	$1,680	$1,920	$2,160	$2,400	$2,593	$2,784	$2,976	$3,168

Source: Barry Miller Consulting, 2021. Based on 30% of monthly income for each household

Market-rate *ownership* housing in the Los Angeles area is generally not affordable to households who are moderate income or below. With an income of $100,000, a household of four could potentially spend $2,500 a month on their housing cost without experiencing a cost-burden. Assuming a 10 percent down-payment and 3 percent interest rate, an "affordable" home would be about $360,000. While there are a few condominiums at this price point in the region's larger cities (Long Beach, Los Angeles, etc.), there is no housing on the Palos Verdes Peninsula in this range. Consequently, "below market" housing programs typically focus on rental housing for low and very low income households, and a mix of subsidized ownership housing and rental housing for moderate income households.

[5] Income limits for low, very low, and extremely low income are set by the federal Department of Housing and Urban Development. However, income limits for moderate income households are set by HCD based on mathematical averages of County income. Consequently, the moderate income numbers are only marginally different from the low income numbers in Los Angeles County. This is not the case in all counties.

Some market-rate rental units are "affordable by design"—meaning they are not subsidized but have rental prices that fall within the affordability ranges of low and moderate income households. For example, a one-bedroom apartment renting for $1,700 a month would be considered affordable to a two-person low-income household. While the supply of such units is limited on the Palos Verdes Peninsula, there are opportunities for market-rate accessory dwellings and small apartments to fill some of this need.

Household Income in Rolling Hills

The federal Department of Housing and Urban Development (HUD) receives custom tabulations of Census data each year to evaluate housing needs for lower income households. The data is referred to as "CHAS" (Comprehensive Housing Affordability Strategy) data and includes documentation of the current number of owner and renter households in each HUD income category for each jurisdiction. At the time the 2021-2029 Housing Element was prepared the CHAS data set was based on 2013-2017 conditions. Table 3.8 provides CHAS data for the City of Rolling Hills.

Table 3.8: Rolling Hills Households by HUD Income Category

Income Category	Owners	Renters	Total (*)
Extremely Low	25	0	**25**
Very Low	35	10	**45**
Low	45	0	**45**
Moderate	25	0	**25**
Above Moderate	465	15	**480**
Total	**595**	**25**	**620**

Source: HUD User Portal CHAS data, based on 2013-2017 ACS. Accessed July 2021
(*) Total number of households does not match Census and DOF totals due to sampling methods. CHAS data is also rounded to the nearest "five" by HUD.

Table 3.8 indicates that 77 percent of the households in Rolling Hills are "above moderate" income (more than 120% of Areawide Median Income). There are 25 "extremely low" income households and 45 "very low" income households in the city, representing four percent and seven percent of total households respectively. Another seven percent meet "low" income criteria.

Table 3.9 provides additional data on income in Rolling Hills, using 2015-2019 American Community Survey data rather than CHAS data. Rolling Hills is among the most affluent cities in California, with a median income exceeding $250,000 a year, and a mean household income of $434,685. The Census indicates that 57.5 percent of the city's households have annual incomes exceeding $200,000, compared to 37.8 percent for all of the Palos Verdes Peninsula cities and 10.2 percent for Los Angeles County.

Table 3.9: Household Income in Rolling Hills, Peninsula Cities, and Los Angeles County

Income Category	Percent of Households in Income Category		
	Rolling Hills	**Palos Verdes Peninsula Cities**	**Los Angeles County**
Less than $10,000	1.2%	3.0%	5.6%
$10,000-$14,999	2.6%	1.6%	4.8%
$15,000-$24,999	2.6%	3.4%	8.4%
$25,000-$34,999	1.2%	3.4%	8.1%
$35,000-$49,999	6.1%	4.7%	11.2%
$50,000-$74,999	3.8%	9.2%	15.9%
$75,000-$99,999	4.2%	9.0%	12.3%
$100,000-$149,999	12.7%	15.5%	15.8%
$150,000-$199,999	8.1%	12.6%	7.8%
$200,000 or more	57.5%	37.8%	10.2%
Median Income	**$250,000+**	**$154,165**	**$68,044**
Mean Income	**$434,685**	**$210,231**	**$99,133**

Source: American Community Survey, 2021 (for 2015-2019)
Data for Palos Verdes Peninsula cities represents weighted average of Rolling Hills, Rolling Hills Estates, Rancho Palos Verdes, and Palos Verdes Estates

While a majority of households are "above moderate" income, the ACS data indicates that 6.4 percent of Rolling Hills' households (or approximately 42 households) have annual incomes of less than $25,000 a year. This compares to 8.0 percent for the Palos Verdes Peninsula and 18.8 percent for Los Angeles County. Approximately 7.3 percent of Rolling Hills' households have incomes between $25,000 and $50,000 a year, compared to 8.1 percent on the Peninsula and 19.3 percent countywide.

The Census also disaggregates household income data by family households, married couples, and non-family households. Non-family households include persons living alone and unrelated individuals in shared homes. Family and married couple household incomes in Rolling Hills are higher than non-family households. Census data indicate that 27 percent of the non-family households in the city (or about 30 households) have annual incomes below $35,000 compared to just 3.1 percent for families and married couples.

An important qualifier about the Census income data is that it does not account for accumulated wealth or savings and is based only on annual income. Given the high cost of housing in Rolling Hills, the very high rate of owner-occupancy (95 percent), and the large number of retired adults in the city, it is likely that most of the lower income households in the city are seniors on fixed incomes. In fact, 68 of the 108 non-family households in the city are comprised of persons over 65 living alone. Many of these households have no mortgage and their housing costs are primarily associated with property taxes, insurance, maintenance, and utilities. Despite accumulated wealth and home equity, a subset of the population on fixed incomes may lack the resources to meet these expenses without financial hardship.

3.3.6 Overpayment

Overpayment refers to the incidence of households spending more than 30 percent of their incomes on housing costs. As noted earlier, this includes monthly utility bills, taxes, HOA dues, and insurance as well as mortgage or rent payments. Overpayment occurs in all income categories but is more challenging for lower income households given the limited resources to pay for other household expenses. As previously indicated, such households are defined by the US Department of Housing and Urban Development as being "cost-burdened."

ACS data indicates that 30.6 percent of all homeowners in Rolling Hills and 32 percent of all renters are paying more than 30 percent of their incomes on housing. About 18 percent of Rolling Hills homeowners are paying more than 50 percent of their incomes on housing. This compares to 16 percent in the county as a whole. Table 3.10 compares rates of overpayment in Rolling Hills with those of Los Angeles County as a whole. At the countywide level, the rate of overpayment is somewhat higher for homeowners and substantially higher for renters. In Los Angeles County, approximately 35.7 percent of all homeowners and 57.6 percent of all renters pay more than 30 percent of their incomes on housing.

Table 3.10: Percent of Income Spent on Housing in Rolling Hills and Los Angeles County

Percent of Income Spent on Housing	Homeowners with no Mortgage		Homeowners with a Mortgage		Renters	
	Rolling Hills	LA County	Rolling Hills	LA County	Rolling Hills	LA County
Less than 20 %	64.3%	73.4%	37.1%	30.0%	54.5%	19.7%
20-24.9 %	10.5%	6.4%	10.1%	14.5%	0	11.5%
25-29.9%	5.0%	4.2%	14.0%	12.1%	13.6%	11.2%
30-34.9%	0.8%	3.0%	7.8%	9.1%	0	9.5%
More than 35%	19.3%	12.9%	30.9%	34.4%	31.8%	48.1%

Source: American Community Survey, 2021 (for 2015-2019)

Not surprisingly, the incidence of overpayment is much greater for homeowners with a mortgage than for those without a mortgage. In Rolling Hills, approximately 44 percent of all homeowners have paid off their mortgages, while 56 percent have a mortgage. For those without mortgages, 20.1 percent pay more than 30 percent of their incomes on housing. For those with mortgages, the figure is 38.6 percent.

Even homeowners without mortgages may still face a cost burden associated with taxes, maintenance, and other home expenses. The ACS reports that 93 percent of Rolling Hills' homeowners with no mortgage payments still have monthly housing costs exceeding $1,000 a month. The median monthly cost for homeowners without mortgages in the city is over $1,500 a month. The comparable figures for Los Angeles County are just 20.3 percent and $608 a month. The data suggests that Rolling Hills seniors on fixed incomes may be particularly cost-burdened due to limited income, monthly HOA fees, and the high cost of maintaining a home in the city.

For homeowners with mortgages, monthly costs are substantially higher. ACS data shows that 89.9 percent of the city's homeowners with mortgages spend over $3,000 a month on housing, with a median well above $4,000 a month (the maximum reported by the Census). This compares to 34.2 percent in Los Angeles County, with monthly median of $2,498.

Data on the City's renter households indicates that a majority are above moderate income households spending more than $3,000 a month on housing. However, the ACS indicates seven renter households paying $1,000 to $1,499 a month, which indicates that at least a few renters in the city occupy guest houses or unregistered accessory dwelling units.

Table 3.11 shows the incidence of overpayment among owners and renters in Rolling Hills who are lower income. Among lower income homeowners, 78 out of 90 are considered cost-burdened, while among the city's 10 lower income renters, eight are considered cost-burdened. About two-thirds of the city's lower income owners are severely cost-burdened, paying more than half of their incomes on housing. While the income data does not fully account for savings and accrued wealth, it does suggest that some of these households might benefit from assistance with home maintenance and monthly housing expenses (for example, through home sharing and ADUs).

Table 3.11: Overpayment among Lower Income Households in Rolling Hills

	Total Households	Number Paying More than 30% of Income on Housing	Number Paying More than 50% of Income on Housing
Homeowners			
Income Under 80% of Areawide Median	90	78	60
Income Under 30% of Areawide Median	25	19	15
Renters			
Income Under 80% of Areawide Median	10	8	4
Income Under 30% of Areawide Median	0	0	0

Source: HUD User CHAS data, 2014-2018

3.4 Populations with Special Needs

The California Government Code recognizes that some segments of the population have more difficulty finding decent, affordable housing than others due to their circumstances. Populations with special needs include older adults, persons with disabilities, large families, farmworkers, families with female heads of households, and persons experiencing (or at risk of) homelessness. These groups are more likely than the population at large to spend a disproportionate amount of their incomes on housing. They are also more likely to face discrimination based on their specific needs or circumstances.

3.4.1 Older Adults

The special needs of older households result from limited income, higher rates of physical disability and health care costs, and changing life circumstances which may require assistance from others. This is the single largest special needs group in Rolling Hills, and it is growing rapidly as the population ages. Table 3.12~~1~~ compares the number of older adults in Rolling Hills with the other cities on the Palos Verdes Peninsula, along with Los Angeles County.

Table 3.12~~1~~: Older Adults in Rolling Hills and Nearby Jurisdictions

Jurisdiction	Percent of all Residents over 65	Percent of all Residents over 75	Percent of households with at least one member over 65
Rolling Hills	32.9%	18.4%	56.0%
Rolling Hills Estates	25.2%	13.9%	46.5%
Palos Verdes Estates	27.0%	13.3%	46.8%
Rancho Palos Verdes	15.5%	13.6%	44.7%
Los Angeles County	13.3%	5.7%	29.7%
California	14.0%	5.9%	30.8%

Source: American Community Survey, 2021 (for 2015-2019)

The percentage of residents over 65 in Rolling Hills was 22 percent in 2000, 28 percent in 2010, and 33 percent in 2020. Moreover, 56 percent of the households in Rolling Hills include at least one person who is 65 years or older. This is almost double the rate for Los Angeles County as a whole. The percentage of Rolling Hills residents over 85 has doubled in the last 20 years, with this cohort representing 4.7 percent of the population in 2020.

The percentage of older residents is likely to continue increasing in the next decade. Nearly one in five Rolling Hills residents is in the 55-64 age cohort (compared to one in nine countywide), and most of this cohort will reach retirement age during the timeframe of this Housing Element. Some of these residents, as well as those already over 65, may seek to "downsize" or adapt their homes to meet changing mobility needs and financial resources.

Older adults in Rolling Hills are more likely to live alone, have one or more disabilities, and be cost-burned by housing than the population at large. Census data indicates that there are 68 households, representing roughly 10 percent of all households in Rolling Hills, comprised of a person over 65 living alone. About 70 percent are female-headed households and 30 percent are male-headed. There may be opportunities among these households for home sharing and accessory dwelling unit (ADU) development. This can provide financial benefits, social benefits, and an added sense of security, as well as housing opportunities for low- and moderate-income workers or other retirees in the community.

At the same time, the City should anticipate an increase in homeowners seeking to adapt their homes to facilitate aging in place. This would include addition of ramps, handrails, kitchen and bath retrofits, and interior changes that improve access for wheelchairs and walkers. The Rolling Hills housing stock is well suited for these improvements, as it is limited to single story

construction. Demand for on-site caregiver quarters, and living space for other domestic employees, will likely increase. At the same time, the substantial cost and demand associated with maintaining a large home and property may compel some residents to seek living arrangements that are not currently available in Rolling Hills, such as condominiums and townhomes. Some of these residents will relocate out of Rolling Hills due to diminished mobility (capacity to drive) or the need for higher levels of care.

Because of resource limitations and the city's small size, the City of Rolling Hills does not provide direct services to seniors. It works with other agencies, non-profits, and the private sector to address the housing needs of local seniors, and to connect residents with service providers. This includes maintaining a comprehensive list of facilities and service providers at City Hall, and a dedicated page on the City's website listing available services for seniors. Rolling Hills has partnered with other Peninsula cities and local non-profits to produce a Senior Resources Guide for the Palos Verdes Peninsula.

Nearby local services include:

- Palos Verdes Peninsula Village, located in Rolling Hills Estates, provides social and educational activities, transportation, and advocacy for seniors in the vicinity. They provide trained volunteers to assist with routine home maintenance activities, computer troubleshooting and set-up, and other day to day activities.

- PV Peninsula Transit Authority Dial-A-Ride, which provides services for persons 62 or older on the Peninsula, and free taxis for medical appointments in the South Bay area.

- Peninsula Seniors, a non-profit 501(c)(3) that has served the four cities on the Palos Verdes Peninsula (including Rolling Hills) since 1982. They primarily provide social activities, health and wellness programs, special events, and educational programs.

- Volunteer block captains within Rolling Hills, providing wellness checks for seniors as well as emergency preparedness and response.

- Homeshare South Bay matches seniors and others in the community with local housing opportunities. Homeshare South Bay is a project of the South Bay Cities Council of Governments, which includes Rolling Hills.

- HELP (Health Care and Elder Law Programs) is a Torrance-based organization that provides counseling to area seniors on elder care, finance, law, and consumer protection. The organization is dedicated to empowering older adults and their families.

- Palos Verdes Peninsula Library District and the Peninsula Center Library (in Rolling Hills Estates) provides programs and resources for seniors.

- There are senior centers in the nearby communities of Torrance, Carson, Wilmington, Harbor City, San Pedro, Manhattan Beach, Redondo Beach, Hawthorne, and El Segundo.

In addition, the Rolling Hills Community Association (RHCA) created a "Needs of Seniors" Committee in 2014 to address the needs of aging Rolling Hills residents. The Committee collects information and makes recommendations to the RHCA Board. Their recent efforts have focused on transportation, health and wellness, home improvement and maintenance, and social events.

3.4.2 Persons with Disabilities

The number of disabled residents is increasing nationwide due to increased longevity and the aging of the population. Physical and mental disabilities can hinder access to housing as well as the income needed to pay for housing. Those with disabilities often have special housing needs related to their limited earning capacity, higher health care costs, mobility or self-care limitations, or need for supportive services.

The Census recognizes six disability types in its data tabulation: hearing, vision, cognitive, ambulatory, self-care, and independent living. These categories are not mutually exclusive and disabled residents may have more than one of these conditions. Current ACS data (2015-2019) for Rolling Hills indicates that 10.6 percent of the City's population has one or more disabilities. This compares to 8.1 percent in the 2000 Census, with the increase attributable to the greater number of older adults. Rolling Hills has a slightly higher percentage of disabled residents than the county as a whole, with the ACS reporting that 9.9 percent of Los Angeles County's residents were disabled in 2020.

The city's older residents are more likely to be disabled than its younger residents. ACS data shows 23 percent of all residents over 65 have one or more disabilities, whereas only 5.5 percent of those aged 18-64 have one or more disabilities and only 1.4 percent of those under 18 have disabilities. The "over 75" population has the greatest incidence of disability, with 33.8 percent affected.

Table 3.1~~2~~3 shows the incidence of disabilities among persons in different age groups in Rolling Hills. The most common disabilities are ambulatory (movement), with older adults most impacted. There were 103 residents reporting an ambulatory difficulty, 66 of whom were over 75. There were 56 residents reporting a hearing difficulty, 46 of whom were over 75. Cognitive difficulties were more likely to affect the younger population (particularly 18-34). This was the only category where rates among older adults were lower than among younger age cohorts.

Table 3.1~~2~~3: Percent of Rolling Hills' Residents with a Disability

Disability Type	Under 18	18-64	Over 65	Total
Hearing Difficulty	0	1.0%	10.0%	3.7%
Vision Difficulty	0	1.0%	2.6%	1.3%
Cognitive Difficulty	1.5%	2.3%	2.0%	2.1%
Ambulatory Difficulty	0	2.9%	16.5%	6.9%
Self-care Difficulty	0	0.5%	6.0%	2.3%
Independent Living Difficulty	N/A	2.3%	8.8%	5.0%

Source: American Community Survey, 2021 (for 2015-2019)

There were 61 residents, including 34 residents over 75 and another 11 aged 65-74, who indicated an independent living difficulty. This represents roughly 5 percent of the City's population and is comparable to the countywide average of 5.4 percent. These residents may require daily assistance from caregivers or family members.

There is an ongoing need to adapt housing to meet the needs of those with disabilities, and to design new homes so they are accessible for all people. This may require widened doorways and hallways, access ramps, larger bathrooms, lowered countertops, grab bars, walk-in baths and showers, and other design changes. It is important that planning and building codes support such changes, and accommodate the needs of those who are disabled or become disabled while living in the homes they currently occupy. Barrier free design is particularly important in any multi-family housing that may be constructed in the future.

In 2020, the City of Rolling Hills amended its municipal code to provide "reasonable accommodation" for persons with disabilities. This complies with state and federal laws and enables those with disabilities to request modifications from standard practices or codes to meet their housing needs.

3.4.3 Persons with Developmental Disabilities

SB 812 requires that each jurisdiction's housing element include an analysis of housing needs for persons with developmental disabilities. This is defined by federal law as a "severe, chronic disability" that:

- Is attributable to a mental of physical impairment or combination of mental and physical impairments
- Is manifested before the individual attains age 18
- Is likely to continue indefinitely
- Results in substantial functional limitations in three or more of the following areas of major life activity:
    - Self-care
    - Receptive and expressive language
    - Learning
    - Mobility
    - Self-direction
    - Capacity of independent living
    - Economic self-sufficiency
- Reflects the need for a combination and sequence of special, interdisciplinary, of generic services, individualized support, 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. Many developmentally disabled persons can live and work independently. More severely disabled individuals may require a group living environment with training and supportive services. The most severely disabled individuals may require an institutional environment where medical services and physical therapy are provided. Because developmental disabilities exist in childhood, the transition from living with one's family to living independently is an important consideration in meeting local housing needs.

Data on the number of persons with developmental disabilities is maintained by the California Department of Developmental Services (DDS). DDS coordinates the efforts of a network of 21 non-profit regional centers around the state and provides funding for a variety of programs and services. Rolling Hills is served by the Harbor Regional Center, which is located in Torrance. The Harbor Center serves over 15,000 people with developmental disabilities, with a service area that includes Long Beach, the South Bay, the Palos Verdes Peninsula, and other parts of southern Los Angeles County. About half are children and half are adults.

Data from the DDS is provided by ZIP code. Rolling Hills city represents 7.4 percent of the 25,061 residents in ZIP code 90274. The last available report posted by DDS on their website (June 2017) indicates 154 clients served in 90274, including 65 under age 18 and 89 over age 18. If Rolling Hills' share of the total is pro-rated, this would be equivalent to 12 clients, including five children and seven adults. ZIP code data is also disaggregated by the type of housing occupied by clients. The data indicates that 149 clients in ZIP Code 90274 live with their families or guardians and "fewer than 11" clients live in supported living, care facility, or foster home environments. Overall, about 87 percent of the Harbor Center's clients live with their families.

The Harbor Regional Center is an important resource for those with developmental disabilities, and their families. It provides health assessments, advocacy, family support and training, individual case management and support, early intervention and prevention services, and assistance in finding stable and secure independent living arrangements. Additional resources in the area include the Disability Community Resource Center in Torrance and Southern California Resources Services for Independent Living.

3.4.4 Female-Headed Households with Children

Single-parent households require special consideration and assistance because of their greater needs for day care, health care, and other facilities. In particular, female-headed households with children tend to have lower incomes, thus limiting housing affordability for this group. In most communities, female-headed households are considered to be at greater risk of displacement, poverty, and housing overpayment.

The 2019 ACS indicates that there were five single parent female households with children in Rolling Hills, representing less than one percent of the City's households. The comparable figure for Los Angeles County was 5.1 percent, as the composition of households is substantially more diverse at the countywide level.

ACS data for the small number of female-headed households with children in Rolling Hills may not be entirely reliable due to the small sample size. Nonetheless, the data indicate that these households were above the poverty level, and did not receive supplemental security income, SNAP/food stamps, or other public assistance income in the past 12 months.

Because the very small number of female-headed households in Rolling Hills, as well as their income characteristics, they are not expected to have special housing needs that require City programs.

3.4.5 Large Households

Large households are defined as those with five or more members. Such households are identified in State housing law as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. In instances where large households have lower incomes, they may be more likely to live in overcrowded dwelling units or in units that are substandard. The problem is more acute for large households who are renters, who may face the added risk of eviction or displacement.

Table 3.14~~3~~ shows data on household size in Rolling Hills. The data is broken down for family and non-family households. About 12.3 percent of all households in Rolling Hills have five or more members, including 2.6 percent with seven or more members. All of these households are families. Countywide, 14.3 precent of all households have five or more members and 2.8 percent have seven or more members.

The average number of rooms per unit in a Rolling Hills home is 8.3, compared to 4.6 for Los Angeles County. ACS data indicates the median annual income for large households in Rolling Hills exceeds $250,000. Given the large home sizes in Rolling Hills, the low incidence of overcrowding, and the relatively small percentage of large households, this is not a priority special needs group within the city. Larger households will continue to be housed in the city's larger single family homes.

Table 3.14~~3~~: Number of Persons in Family and Non-Family Households

Household Size	Family	Percentage	Non-Family	Percentage	Total	Percentage
1	N/A	N/A	94	87.0%	94	16.3%
2	287	61.2%	14	13.0%	301	52.2%
3	59	12.6%	0	0	59	10.2%
4	52	11.1%	0	0	52	9.0%
5	51	10.9%	0	0	51	8.8%
6	8	1.7%	0	0	8	1.4%
7 or more	12	2.6%	0	0	12	2.1%
Total	**469**	**100.0%**	**108**	**100.0%**	**577**	**100.0%**

Source: American Community Survey, 2021 (for 2015-2019)

3.4.6 Residents Living in Poverty or With Extremely Low Incomes

Census data indicates that 1.7 percent of Rolling Hills' population—or about 25 residents—are below the federal poverty line. This compares to 14.9 percent for the county as a whole.

According to the 2015-2019 ACS, Rolling Hills residents living below the poverty include 14 people aged 18-59 and 11 people over 60. There are no children under 18 below the poverty line in the city. The data further indicates that the 25 residents include 12 white non-Hispanic persons, four Asian persons, and nine Latino persons.[6]

Census data indicates that only five of the residents below the poverty line are in the labor force, suggesting that some of those tallied by the Census have other sources of income not reported here. Census data indicates that a majority of the adults below the poverty level in Rolling Hills are 18-34 year olds—this likely represents adult children not in the labor force who are living at home. This is further supported by the even lower poverty rate for family households in Rolling Hills—reported at 0.4 percent by the ACS, which is equivalent to three households.

Although Rolling Hills has a very small number of households in poverty, and some of its extremely low income residents have supplemental sources of income, the city is located in a region with significant very low income housing needs. In February 2021, the City amended its zoning regulations to create the Rancho Del Mar Overlay District. Affordable housing and emergency shelter are both permitted by right in this district, subject to specific development standards. Single room occupancy hotels are conditionally permitted. The City also permits home sharing, room rentals, and accessory dwelling units, all of which are beneficial to meeting extremely low income housing needs.

3.4.7 Farmworkers

The special housing needs of farmworkers are a result of low wages and the seasonal nature of agricultural employment. Migrant farmworkers face particular challenges, including severe overcrowding. Farmworker needs are difficult to quantify due to fear of job loss, language barriers, and the documentation status of the farmworker labor force.

The 2015-2019 ACS data indicates that there are no Rolling Hills residents employed in "Farming, Fishing, and Forestry" occupations. This data further indicates that there are no residents in the city employed in the "Agriculture, Forestry, Fishing, Hunting, and Mining" sector. There are also no farmworker jobs in the city, as there is no agricultural land. As a result, the City does not have active programs or policies to address farmworker housing needs.

[6] *As noted earlier, the ACS is based on a sample of the population (roughly 15% for the five-year period). In a small city such as Rolling Hills, the margin of error is high, particularly for the breakdown of poverty status by age, race and ethnicity.*

3.4.8 Homelessness

Homelessness has become an increasing problem throughout California and the entire United States. In Southern California, factors contributing to the rise in homelessness include the lack of housing affordable to low- and very low-income persons, loss of employment and benefits—particularly for low wage workers, health care costs and related personal disabilities, reductions in public subsidies, increasing rates of addiction and substance abuse, and a lack of mental health services.

State law requires that cities address the special needs of unhoused residents within their jurisdictional boundaries. For this purpose, homelessness is defined as including individuals who lack a fixed, regular and adequate nighttime residence, as well as individuals living in shelters and in places not designed for sleeping. The definition does not include those living in substandard or overcrowded housing or persons who are temporarily staying with family and friends. Such individuals are considered to be "at risk" of homelessness.

A "point in time" count of homeless residents in Greater Los Angeles is conducted annually by the Los Angeles Homeless Services Authority (LAHSA). In January 2020, the count identified 54,291 persons experiencing homelessness in Los Angeles County. This is an increase of about 10 percent from 2019, when the count was 49,521. It is an increase of 37 percent from 2016, when the count was 39,587. The 2020 figures precede the onset of the COVID-19 pandemic and its impacts on homelessness.

Data provided by the LAHSA indicates the 2020 count for the city of Rolling Hills was zero. The count for all prior years in the survey (2016-2019) also counted no unsheltered residents in the city. The nature of homelessness and the method of data reporting make it difficult to evaluate the full extent of the challenge of adequately housing the entire population. While there are no unsheltered residents in Rolling Hills, there may be residents who are temporarily staying with friends or relatives because they lack the resources or have underlying conditions which make it difficult to find permanent housing.

There are no emergency shelters in Rolling Hills. The closest facilities are in San Pedro and Wilmington and are less than five miles away. Harbor Rose Lodge (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 (San Pedro) provides a 90-day emergency shelter and an 18-month transitional housing program. Also in San Pedro, Shawl House and House of Hope provide shelter, transitional housing, counseling specifically for women. The Doors of Hope Shelter in Wilmington also serves single women. The Beacon Light Mission in Wilmington provides a 10-bed men's shelter, as well as food, clothing, and supportive services to men, women, and children.

In February 2021, the City of Rolling Hills amended its zoning regulations to allow emergency shelter "by right" in the Rancho Del Mar Overlay Zone. The 31-acre site overlay zone includes multiple areas of underutilized land that provide opportunities for emergency shelter or supportive service facilities.

The City is committed to coordinating with supportive service providers and meeting the needs of local unhoused residents. A list of nearby social service agencies and shelters is maintained by the City Clerk.

3.5 Housing Stock Characteristics

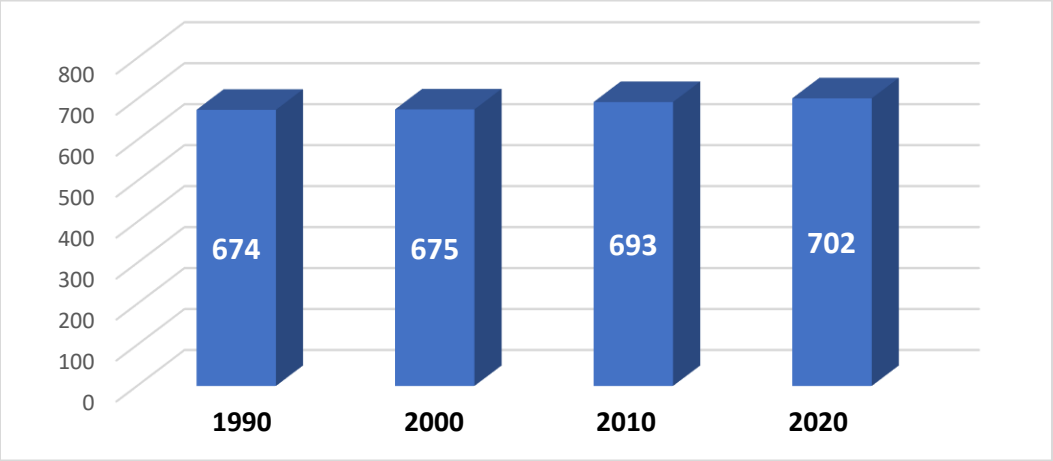
Government Code Section 65583(a) requires the Housing Element to describe the characteristics of the local housing stock, including structural condition. This section of the Element provides an overview of Rolling Hills' housing stock, including the age of structures, the types of structures, the number of bedrooms, and vacancy characteristics. It also includes information on home values and rents.

3.5.1 Housing Unit Count

The US Census reported 674 housing units in the city in 1990, 675 units in 2000, and 693 units in 2010 (see Chart 3.5). The California Department of Finance estimated 719 units in the city as of 2021. However, the August 12, 2021 data release from the 2020 Census indicates the total unit count is 702, which is more consistent with City records. The net number of housing units in the city has increased at a rate of about one unit a year for the last 30 years.

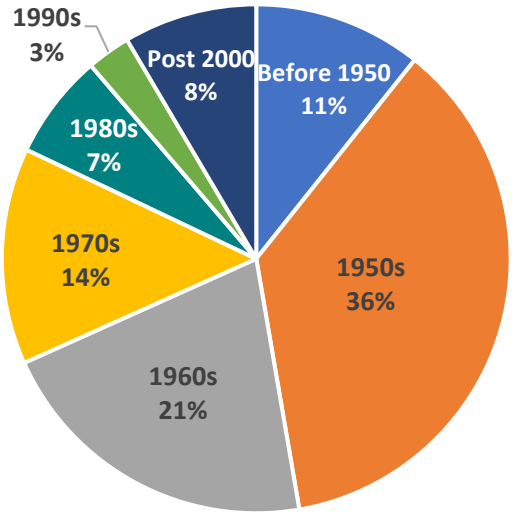
While the increase in units has been nominal, additional residential development has been occurring through the replacement and expansion of existing single family homes. Much of Rolling Hills was developed in the 1950s and was typified by 2,000 to 4,000 square-foot ranch style homes. As in many desirable older communities, the original housing stock is gradually being replaced with much larger units. These units average 6,000 to 9,000 square feet in size, according to City building permit records. This trend of residential recycling can be expected to continue and potentially increase as less vacant land is available for development.

Chart 3.5: Total Number of Housing Units in Rolling Hills, 1990-2020



Source: Census 1990, 2000, 2010, 2020

Chart 3.6: Year of Construction for Rolling Hills Homes



Source: American Community Survey 2021

3.5.2 Age and Condition of Housing Stock

Chart 3.6 shows the age of the housing stock in Rolling Hills. About half of the housing stock in the community is more than 60 years old. About 35 percent was built in the 1960s and 70s and the remainder has been built in the last 40 years. About 8 percent of the city's housing stock is less than 20 years old—however, most of these homes are "replacements" and were built on previously developed lots.

The older housing stock in the city is in excellent condition. Census data indicates there are no units in the city without plumbing or kitchen facilities. The City strongly encourages reinvestment in the existing housing stock, and homeowners take pride in their homes and properties. Common repairs include new roofs, new siding, plaster and stucco repair, upgraded electrical systems, and plumbing improvements. Home additions, kitchen and bathroom upgrades, and solar energy installations are also common.

No significant code enforcement or housing problems have been observed in the city. The city has a Code Enforcement Officer who makes complaint-based site visits. In the event a violation is identified, the City works with the property owner to resolve the issue.

The City estimates that five units, or 0.8 percent of its housing stock, is in need of rehabilitation or replacement. These properties include:[7]

- A home that has been red tagged and in need of foundation repair
- A home in a landslide area with a stop work order due to work being done without permits

[7] *Addresses can be provided to HCD upon request but are not disclosed here.*

- An older home where the owner is seeking approval to demolish and rebuild
- A home with an approved application to demolish and rebuild
- A home with an approval for a major remodel and addition

In any given year, the City also receives "tear down and rebuild" applications for one to two older homes as well as dozens of applications to modernize, expand and update older homes. In almost all cases, these homes are habitable, but they are outdated and do not provide the amenities expected in high-end construction.

3.5.3 Housing Type

Rolling Hills is comprised entirely of single family homes. The 2021 ACS indicates there are no multi-family units in the city. ACS data further indicates seven units that are "single family attached" which presumably are accessory dwelling units (ADUs) or other separate living quarters that are ancillary to a primary residence.

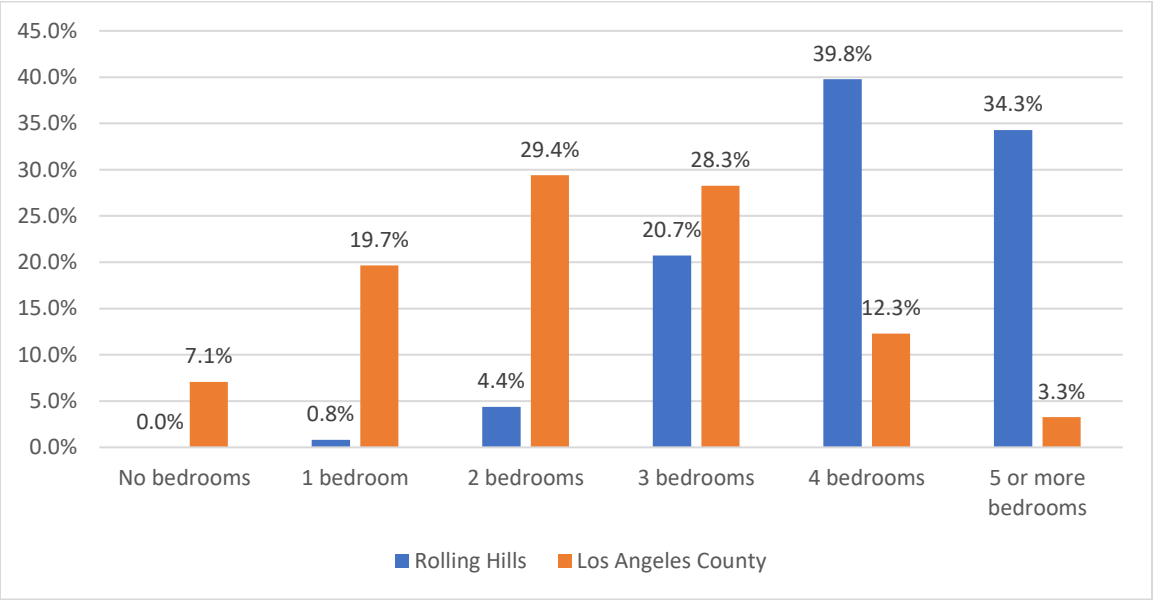
Census data does not typically classify "guest houses" as dwelling units unless they have been legally permitted as separate residences. Rolling Hills classifies guest houses differently than ADUs; the latter are permitted by right to be independent dwellings provided they meet certain adopted zoning standards. By contrast, occupancy of guest houses is limited to persons employed on the premises, the family of the occupants of the main residence, or the temporary guests of the occupants of the main residence. Guest houses may not be used as rental housing, but an owner may apply for a permit to convert a guest house to an ADU, which can then be rented.

3.5.4 House Size

Homes in Rolling Hills are large. Chart 3.7 below shows the distribution by number of bedrooms. About 74 percent of the homes in the city have four or more bedrooms. Another 21 percent have three bedrooms and only five percent have two bedrooms or fewer. By contrast, among homes in Los Angeles County as a whole, 16 percent of all housing units have four or more bedrooms and 56 percent have two bedrooms or fewer.

Data for total house size shows a similar difference between Rolling Hills and the County as a whole. Countywide, the median number of rooms per home is 4.5. It Rolling Hills, it is 8.3. Only 4.7 percent of the homes in Los Angeles County have nine or more rooms. In Rolling Hills, 46 percent of the homes have nine or more rooms.

Chart 3.7: Percent of Housing Units by Number of Bedrooms, Rolling Hills and Los Angeles County



Source: American Community Survey 2021 (for 2015-2019)

3.5.5 Vacancy Characteristics

The August 12, 2021 data release from the US Census indicates that 63 of the city's 702 homes were vacant at the time of the 2020 Census. This is a nine percent vacancy rate. By contrast, 2020 Census data indicates that the vacancy rate for the Palos Verdes Peninsula as a whole was about five percent. Countywide, ACS data indicates that six percent of the housing stock in Los Angeles County is vacant.

ACS data provides an indication of the characteristics of vacant units in Rolling Hills. The ACS reports that 30 percent of the vacant units in the city were for sale, 26 percent were used seasonally (and were not occupied at the time of the census), and five percent were for rent. The remainder were classified as "other." ACS data further indicates that the vacancy rate among for-rent units was three times higher than the vacancy rate among for-sale units, although the sample size is very small.

In 2010, the Census reported that 5 percent of the homes in the city were vacant, indicating a significant increase between 2010 and 2020. The higher vacancy may be a result of changes in the housing market, including significantly higher home prices, and an increase in the number of homes that are used seasonally. The city's housing market serves a unique market niche.

3.5.6 Home Values and Prices

A variety of sources were used to analyze housing market prices and trends in Rolling Hills, including on-line real estate data vendors, current real estate listings, and the US Census.

According to on-line real estate service Zillow.com, the median value of a home in Rolling Hills is $3,733,468. Rolling Hills home values have gone up 19.7% over the past year. Chart 3.8 compares the local median home value with values in the three other Palos Verdes Peninsula cities and with Los Angeles County as a whole. Homes in Rolling Hills are valued at 50 percent higher than those in Palos Verdes Estates ($2.45 M), 126 percent higher than those in Rancho Palos Verdes ($1.65M), and over four times higher than the countywide median ($790,000).

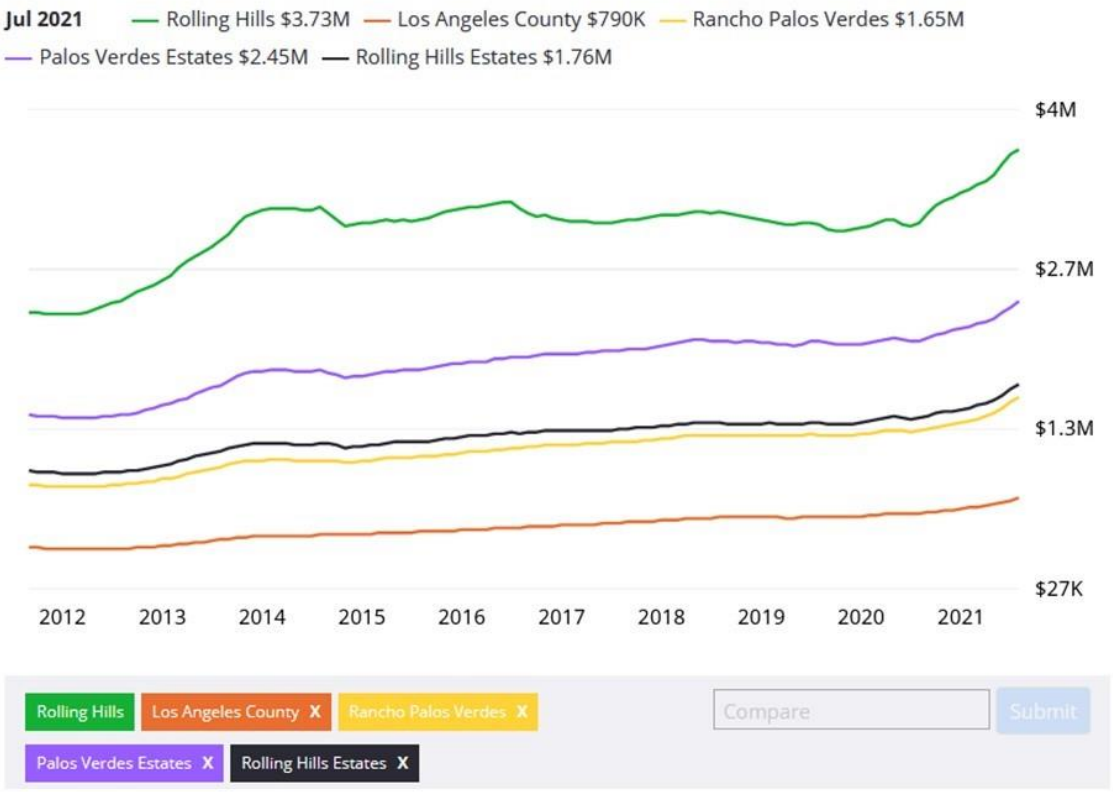
The ACS 2021 data indicates that 95 percent of all homes in Rolling Hills have a value of over $1,000,000. The Census-reported median is over $2 million, which is the highest interval on the Census scale. The ACS shows the median in Los Angeles County at $583,200. This is substantially lower than the Zillow data, which is only based on homes recently sold.

The website realtor.com indicates that the average time on the market for a home in Rolling Hills in July 2021 was 120 days. However, the sample size is small, and similar data for earlier in the year indicates a median sale time of 45 days (December 2020 and January 2021). Realtor.com indicates that homes in the city sold for 4.98 percent below asking price in July 2021. This figure is highly variable depending on market listings at any given time.

In July 2021, there were 14 homes for sale in Rolling Hills (including properties with pending offers). These ranged in size from a 1,467 square foot home to a 13,000 square foot home. Prices ranged from $2,499,000 to $15,975,000. The median price was $5.02 million and the mean was $6.15 million. This is substantially higher than the average for surrounding cities on the Palos Verdes Peninsula and in Los Angeles County. The higher priced homes were typically new construction, while the two lowest priced homes were built in 1954 and 1957.

Data on rentals in the city is more difficult to characterize because the number of available properties is so small. In July 2021, there was only one home being advertised for rent in the city. The asking monthly rent was $16,000. The property has five bedrooms, seven bathrooms, and is 5,035 square feet. Zillow also reported a 2-bedroom, 1-bath detached 1,000 square foot accessory dwelling unit for rent for $3,950. In addition, two ADUs were being advertised on Craigslist (listed as Rolling Hills but likely in Rolling Hills Estates or Rancho Palos Verdes). One was a 500 square foot studio for $1,250 and the other was a 400 square foot guest house for $1,800. The Census indicates that seven of the renter households in the City pay less than $1,500 a month in rent, and the remainder pay more than $3,000 a month.

Chart 3.8: Home Prices in Rolling Hills, Peninsula Cities, and Los Angeles County, 2012-2021



Source: Zillow.com, 2021

Table 3.154: Homes for Sale in Rolling Hills, July 2021

Asking Price	Square Footage	Cost per Square Foot	Year Constructed
$15,975,000	7,136	$ 2,239	2016
$11,100,000	13,000	$ 854	2007
$8,765,000	5,100	$ 1,719	1951
$7,750,000	4,000	$ 1,938	1968
$7,499,000	8,000	$ 937	2002
$5,800,000	4,453	$ 1,302	1986
$5,795,000	5,884	$ 985	1956
$4,250,000	4,101	$ 1,036	1941
$4,200,000	3,527	$ 1,191	1940
$3,950,000	5,560	$ 710	1989
$3,495,000	3,414	$ 1,024	1947
$2,630,000	3,444	$ 764	1974
$2,500,000	1,467	$ 1,704	1957
$2,499,000	1,752	$ 1,426	1954
MEAN: $6,150,000		$1,273	
MEDIAN: $5,020,000		$1,030	

Source: Realtor.com, Trulia, Zillow, 2021

Table 3.154 indicates the cost per square foot of those homes currently for sale in Rolling Hills, along with the asking price, square footage and year of construction. The median cost per square foot is $1,030, which is substantially higher than the statewide median of $438 per square foot. Cost per square foot ranged from $710 to $2,239.

3.5.7 Units at Risk of Conversion from Affordable to Market Rate

State law requires the City to identify, analyze and propose programs to preserve any deed-restricted lower-income housing that could be lost as these deed restrictions expire. However, there are presently no low-income or income-restricted units in Rolling Hills. As a result, there is no housing at risk of losing its subsidized status.

3.6 Future Housing Needs

3.6.1 2021-2029 Regional Housing Needs Allocation (RHNA)

The eight-year housing need for the six-county Southern California region is calculated by the California Department of Housing and Community Development (HCD). This need was determined to be 1,341,827 units for the 2021-2029 Sixth Cycle planning period. The total regional need represents a 225 percent increase over the need calculated for the 2013-2021 Fifth Cycle.

The total regional need is disaggregated to the six counties and 191 cities in the region by the Southern California Association of Governments (SCAG) through a process known as the Regional Housing Needs Allocation (RHNA). About 60 percent of the regional need was assigned to Los Angeles County, which had 53 percent of the region's population in 2020. Concentrating the RHNA in Los Angeles County is a response to the greater availability of transit, urban services, and housing need within the core of the region. If the 1.3 million unit need was fully constructed, it would represent a 20 percent increase in the region's housing unit count in eight years.

The City of Rolling Hills was allocated 45 units of the countywide total, or about .006 percent. Allocations for nearby cities on the Palos Verdes Peninsula were 191 for Rolling Hills Estates, 199 for Palos Verdes Estates, and 639 for Rancho Palos Verdes. As shown in Table 3.165, these allocations are significantly higher than they were in the Fifth Cycle, particularly when compared to the county and region. This represents a shift in the methodology used to allocate units, with less consideration given to growth potential as defined by local governments and more consideration given to population, proximity to job centers, and equity factors. Despite the large increases compared to the last cycle, the RHNA targets for the four Peninsula cities combined represent one-tenth of one percent of the countywide allocation. The RHNA for each of the four cities is equal to between four and six percent of each city's existing housing stock, compared to 20 percent for the region.

Table 3.165: RHNA by City and Comparison to Fifth Cycle

Jurisdiction	5th Cycle RHNA	6th Cycle RHNA	Percent Increase, 5th to 6th Cycle	Existing (2021) Housing Units	6th cycle RHNA as percentage of existing inventory
Rolling Hills	6(*)	45	650%	702	6%
Rolling Hills Estates	5	191	3720%	3,157	6%
Palos Verdes Estates	16	199	1144%	5,303	4%
Rancho Palos Verdes	31	639	1961%	16,340	4%
Los Angeles County	179,881	812,060	351%	3,614,809	22%
SCAG Region	412,137	1,341,827	226%	6,679,283	20%

Source: SCAG 2012 and 2021, plus DOF Table E-5 and US Census 2020
(*) In addition to planning for its 5th Cycle allocation, the 2015-2023 Rolling Hills Housing Element includes the 4th Cycle allocation of 22 units, which was carried over. The 45- unit assignment is a 60 percent increase over the prior 28 unit two-cycle total.

The 6th Cycle allocation by income group is shown in Table 3.167. In Rolling Hills, about 64 percent of the RHNA is for low and very low income households. The figure is comparable to the other cities on the Palos Verdes Peninsula (ranging from 62 to 65 percent). In Los Angeles County, only 42 percent of the assigned need is for low and very low income households, and regionally, it is 41 percent. The greater allocation of lower income housing to the Peninsula cities reflects the statewide and regional focus on encouraging fair housing and discouraging economic segregation.

Table 3.167: Comparison of 6th Cycle RHNA by Income Category

Jurisdiction	Very Low % of total	Low % of total	Moderate % of total	Above Moderate % of total
Rolling Hills	44%	20%	24%	11%
Rolling Hills Estates	43%	22%	20%	15%
Palos Verdes Estates	41%	22%	24%	13%
Rancho Palos Verdes	40%	22%	20%	19%
Los Angeles County	27%	15%	16%	42%
SCAG Region	26%	15%	17%	42%

Source: SCAG, 2020

The City's "very low" income housing allocation for 2021-2029 is 20 units. The State Government Code requires that this total be further allocated between "extremely low" income households (earning less than 30% of areawide median income) and other "very low" income households (earning 30-50% of areawide median income). This distribution may be based on Census income data showing the current percentages of households in these two categories. According to the most recent HUD Comprehensive Housing Affordability Strategy data, there are 65 very low income households in Rolling Hills. CHAS indicates 25 are extremely low income and 40 are very low income. Applied to the 20 unit RHNA, these proportions equal roughly 7 extremely low income units and 13 other very low income units.

3.6.2 Growth Forecasts

As the regional planning agency for the Los Angeles region, SCAG is responsible for preparing jurisdiction-level forecasts for each city and county in the region. The latest forecasts were adopted in September 2020 and describe conditions in a base year (2016) and forecast year (2045). The six-county region as a whole is expected to grow from 6.012 million households (2016) to 7.633 million households (2045), an increase of over 1.3 million households in the 29-year period. Average household size is projected to decline from 3.1 to 2.9 during this period.

SCAG forecasts indicate that Rolling Hills growth will be flat during through 2045. The latest published forecasts (Connect SoCal Demographics and Growth Forecast, September 2020) show 700 households in 2016 and 700 households in 2045. However, the numbers are rounded to the nearest hundred and it is likely that some marginal change will occur. Population over the equivalent period is shown as increasing from 1,900 to 2,000, a growth rate of about 5 percent

over 29 years. As noted on page 3.1, the 2020 Census indicates the City lost over 100 residents between 2010 and 2020, so the SCAG forecasts will need to be adjusted in the future. An increase of 100 residents would bring the City closer to its 2010 total of 1,860 residents.

3.6.3 Locally Identified Needs

While Rolling Hills is obligated by the Government Code to identify capacity for 29 low and very low income units and to develop programs to meet this need, the City also has an opportunity to tailor its housing programs to meet local needs. Based on the Assessment in this chapter, some of the key findings regarding local needs are:

- The City has a large and growing population of seniors. Some of these residents are on fixed or limited incomes and face relative high housing costs, including home maintenance, property taxes, HOA dues, utilities, etc. These residents could benefit from more senior housing options, ranging from fully independent to assisted living.

- Although there are very few people who list Rolling Hills as their permanent place of employment, the City supports a relatively large population of service workers, including caregivers, domestic employees, child care workers and au pairs, landscapers and gardeners, and others in construction and home maintenance. In addition, there are public sector workers, firefighters, and teachers/counselors (at Rancho Del Mar) employed within the city, with incomes that are far below what would be required to buy a home in Rolling Hills. A limited number of affordable rental units serving these workers could reduce commute lengths and vehicle miles traveled.

- Adult children of Rolling Hills residents (particularly those in the 18-30 age range) have limited housing options in the city, other than remaining at home. ADUs could provide additional options.

- The City's housing stock is well suited to ADUs and home sharing. More than two-thirds of the non-vacant housing units in the city have only one or two occupants, despite homes that are substantially larger than the regional average. There are also 300 fewer residents in Rolling Hills today than there were 50 years ago, despite larger homes and more square feet of living space. Additional residents would have a lower impact on infrastructure, services, and the environment if accommodated in the footprint of existing homes as opposed to new construction.

- Creating an ADU or deciding to share one's home is a personal choice and is entirely at the discretion of the homeowner. However, the City can create incentives that make it easier and more affordable for homeowners to consider this option.

4.0 Housing Opportunities and Resources

4.1 Introduction

This section of the Housing Element evaluates potential opportunities to meet the City's Regional Housing Needs Allocation (RHNA). It includes an inventory of potential housing sites in the city and an evaluation of Accessory Dwelling Unit (ADU) and Junior ADU potential. The analysis in this section demonstrates that Rolling Hills has the capacity to accommodate its RHNA assignment of 45 additional housing units, including 29 units that are affordable to low and very income households.

Two other topic areas are covered in this chapter. As required by State law, this chapter discusses opportunities for energy conservation in the city. Reducing energy costs can reduce overall housing costs, contributing to affordability. This chapter also identifies potential financial resources to support the provision of affordable housing and the maintenance of existing housing in the city.

4.2 Approved or Pending Development

There are 12 housing units in the city that are approved or pending and not yet constructed. All of these units are expected to become available for occupancy during the 2021-2029 period and therefore count toward meeting the RHNA. These units include three market-rate single family homes and nine ADUs. These units are listed in Table 4.1 below, including an assignment of each unit by income category.

Table 4.1: Committed Development for the 2021-2029 RHNA period

ID	Assessor's Parcel Number (APN)	Address	Description	Income Category
A	7567-011-020	23 Crest Road E	New SF home on vacant lot	Above Moderate
B	7567-001-018	1 Poppy Trail	New SF home on vacant lot	Above Moderate
C	7569-020-004	8 Middleridge Ln S.	New SF home on vacant lot	Above Moderate
D	7567-011-020	23 Crest Road E	ADU (1000 SF)	Above Moderate
E	7569-001-031	2950 Palos Verdes N	ADU (1000 SF)	Above Moderate
F	7569-026-008	13 Buggy Whip Dr.	ADU (997 SF)	Above Moderate
G	7569-023-006	33 Crest Road W	ADU (946 SF)	Above Moderate
H	7569-026-012	27 Buggy Whip Dr.	ADU (800 SF)	Moderate
I	7567-006-036	23 Chuckwagon	ADU (800 SF)	Moderate
J	7567-005-028	79 Eastfield Dr.	ADU (799 SF)	Moderate
K	7567-014-022	23 Georgeff Road	ADU (620 SF)	Low
L	7567-008-009	63 Crest Rd E	ADU (580 SF)	Low

Sources: US Decennial Census, 1970-2010. California Dept. of Finance, 1/1/21 estimate, 2020 Census (8/12/21 release)

The assignment of the ADUs by income category is based on the size of the unit. Units larger than 800 SF are presumed to be "above moderate"; units 650-800 SF are presumed to be "moderate"; units 500-650 SF are presumed to be "low"; and units smaller than 500 SF are presumed to be "very low." This is based on local rental data for comparably sized ADUs (see Section 4.6 and the footnote below).[1]

4.3 Vacant Sites

Table 4.2 identifies vacant residentially zoned sites in Rolling Hills. These sites are shown graphically on Figure 4.1. For each site, the table indicates the theoretical number of units permitted by zoning (based on acreage and minimum lot size requirements) and the "realistic" number of units based on lot configuration, access, and terrain.[2] Some of the vacant parcels are characterized by physical constraints that preclude their development, including steep or unstable slopes or landslide hazards. A few are landlocked and have no access. The acreage data for each site is based on assessor parcel maps and subtracts out unbuildable easements such as flood hazard areas and roads.

There are 34 parcels identified totaling, 124.8 acres. All of these parcels are in private ownership. Twenty are estimated to be developable and 14 are severely constrained and presumed undevelopable for the 2021-2029 planning period. The constrained parcels include five lots that are landlocked with no street frontage and nine that are in the Flying Triangle Landslide Hazard Overlay area. Several of the lots in the landslide area had homes that were destroyed by earth movement in the 1980s and early 1990s.

For the 20 remaining vacant lots, Table 4.2 indicates the "realistic" potential for 20 single family homes. This excludes accessory dwelling units, which are addressed later in this chapter.

---

[1] ~~*In this case, the assignment of two smaller units as "low" income is further supported by the fact that they are both conversions of existing structures rather than new construction. This facilitates greater affordability.*~~*The City is presuming that the two smallest ADUs listed in Table 4-1 will be affordable "by design" to lower income households. ADU permits were issued for these two units on October 27, 2020 and May 20, 2021 respectively. Both of these projects involve converting existing two-story stables (located on two separate parcels about a mile apart) into ADUs of approximately 600 square feet each. Neither of these units has a finaled building permit yet. Given the eight year timeframe of the Housing Element, both units are expected to be completed before 2029.*

These are market rate units. The assumption that they will be affordable to low-income households is based on the size of the units and the fact that they are being created by repurposing existing space rather than building new space, which presumably would cost more. Current HCD income limits for Los Angeles County indicate that the upper end of the low-income range for a two-person household is $75,700. At 30 percent of household income, monthly housing costs would need to be $1,892 to be considered affordable. The City's survey of comparable properties in 2021 found that ADUs of 400 to 600 square feet in the Palos Verdes Peninsula sub-market were renting for $1,800 per month or less. The two new ADUs are presumed to rent at comparable rates. Moreover, SCAG's ADU survey for Los Angeles County found that 60% of all ADUs in the region could be presumed affordable to lower income households. As these two ADUs are the smallest of the nine that are listed in the Housing Element (see Table 4-1), it is reasonable to presume they would fall in this range.

[2] *Excludes additional units that could be permitted under SB 9.*

Table 4.2: Vacant Residentially Zoned Sites (sorted by APN) (see note at end of table)

Site	APN	Address or Location	Zoning	General Plan	Acres (*)	Theoretical Unit Yield	Realistic Yield, excl. ADUs	Comments
1	7567-006-001	15 Chuckwagon Road	RAS-1	LDR	2.27	2	1	
2	7567-006-014	Behind 6 Chesterfield	RAS-1	LDR	1.22	1	0	Landlocked (no road access)
3	7567-009-007	5 Southfield Drive	RAS-1	LDR	1.61	1	1	
4	7567-010-013	East of 3 Packsaddle Rd W	RAS-1	LDR	1.24	1	1	
5	7567-010-015	North of 3 Packsaddle Rd W	RAS-1	LDR	1.49	1	0	Landlocked (no road access)
6	7567-011-017	54 Portuguese Bend Road	RAS-2	VLDR	2.67	1	0	Severely constrained - slide hazards
7	7567-012-019	SW of 56 Portuguese Bend	RAS-2	VLDR	0.96	1	0	In landslide hazard area
8	7567-012-020	53 Portuguese Bend Road	RAS-2	VLDR	1.46	1	0	In landslide hazard area
9	7567-012-026	4 Wrangler Road	RAS-2	VLDR	1.82	1	0	Severely constrained - slide hazards
10	7567-012-035	66 Portuguese Bend Road	RAS-2	VLDR	1.64	1	0	Severely constrained - slide hazards
11	7567-012-036	64 Portuguese Bend Road	RAS-2	VLDR	1.71	1	0	Severely constrained - slide hazards
12	7567-012-038	62 Portuguese Bend Road	RAS-2	VLDR	1.84	1	0	Severely constrained - slide hazards
13	7567-013-005	End of Portuguese Bend Rd	RAS-2	VLDR	19.81	1	0	Flying Triangle Landslide
14	7567-013-007	2 Running Brand	RAS-2	VLDR	7.09	1	0	Severely constrained - slide hazards
15	7567-014-005	West of 5 El Concho Ln	RAS-1	LDR	2.12	2	0	Landlocked (no road access)/ canyon
16	7567-014-011	West of 24 Georgeff Rd	RAS-1	LDR	1.66	1	0	Landlocked (no road access)/ canyon
17	7567-014-013	North of 27 Georgeff Rd	RAS-2	VLDR	3.79	1	0	Landlocked (no road access)/ canyon
18	7567-014-031	Access b/w 1 and 3 Poppy Tr.	RAS-2	VLDR	6.85	3	1	Rear of 8 Reata Lane
19	7567-015-036	North of 1 Georgeff	RAS-2	VLDR	4.56	2	1	
20	7567-017-017	Between 4 and 5 Ranchero	RAS-2	VLDR	3.52	2	1	Access at end of Ranchero cul-de-sac

Table 4.2, continued

Site	APN	Address or Location	Zoning	General Plan	Acres (*)	Theoretical Unit Yield	Realistic Yield, excl. ADUs	Comments
21	7567-017-045	17 Cinchring Rd	RAS-1	VLDR	1.52	1	1	Driveway access b/w 15 and 20 Cinchring
22	7569-001-020	B/w 2954 and 2958 PV Dr N	RAS-1	LDR	1.03	1	1	
23	7569-001-036	B/w 6 and 14 Roadrunner	RAS-1	LDR	1.00	1	1	
24	7569-004-026	B/w 35 and 45 Saddleback	RAS-1	LDR	3.39	3	1	
25	7569-005-008	80 Saddleback	RAS-1	LDR	6.52	6	1	This parcel is currently for sale
26	7569-012-022	W of 25 Portuguese Bend	RAS-2	VLDR	2.30	1	1	
27	7569-012-025	N of 25 Portuguese Bend	RAS-2	VLDR	3.51	1	1	
28	7569-013-017	North of 10 Pine Tree Lane	RAS-2	VLDR	2.41	1	1	One of three adj. vacant lots
29	7569-013-018	South of 18 Pine Tree Lane	RAS-2	VLDR	2.20	1	1	One of three adj. vacant lots
30	7569-013-020	18 Pine Tree Lane	RAS-2	VLDR	2.13	1	1	One of three adj. vacant lots
31	7570-024-019	Storm Hill Lane, Parcel 1	RAS-2	VLDR	6.04	3	1	7.6 ac parcel with 1.6 acres of easements
32	7570-024-020	Storm Hill Lane, Parcel 2	RAS-2	VLDR	11.64	5	1	34.7 ac parcel with 23 acres of easements
33	7570-024-021	Storm Hill Lane, Parcel 3	RAS-2	VLDR	10.10	5	1	17.3 ac parcel with 7.2 acres of easements
34	7570-025-022	N/ end of Johns Canyon Road	RAS-2	VLDR	1.68	1	1	
TOTAL					124.8	57	20	

Sources: Barry Miller Consulting, 2021; LA County GIS Portal, 2021
(*) Acreages generally exclude unbuildable easements

Note: This is a roster of existing vacant residentially zoned land in Rolling Hills. No changes to the zoning of these parcels is proposed, and no specific projects are proposed on these sites. Future development applications on these properties would be subject to environmental review or applicable exemptions, consistent with the requirements of California Environmental Quality Act.

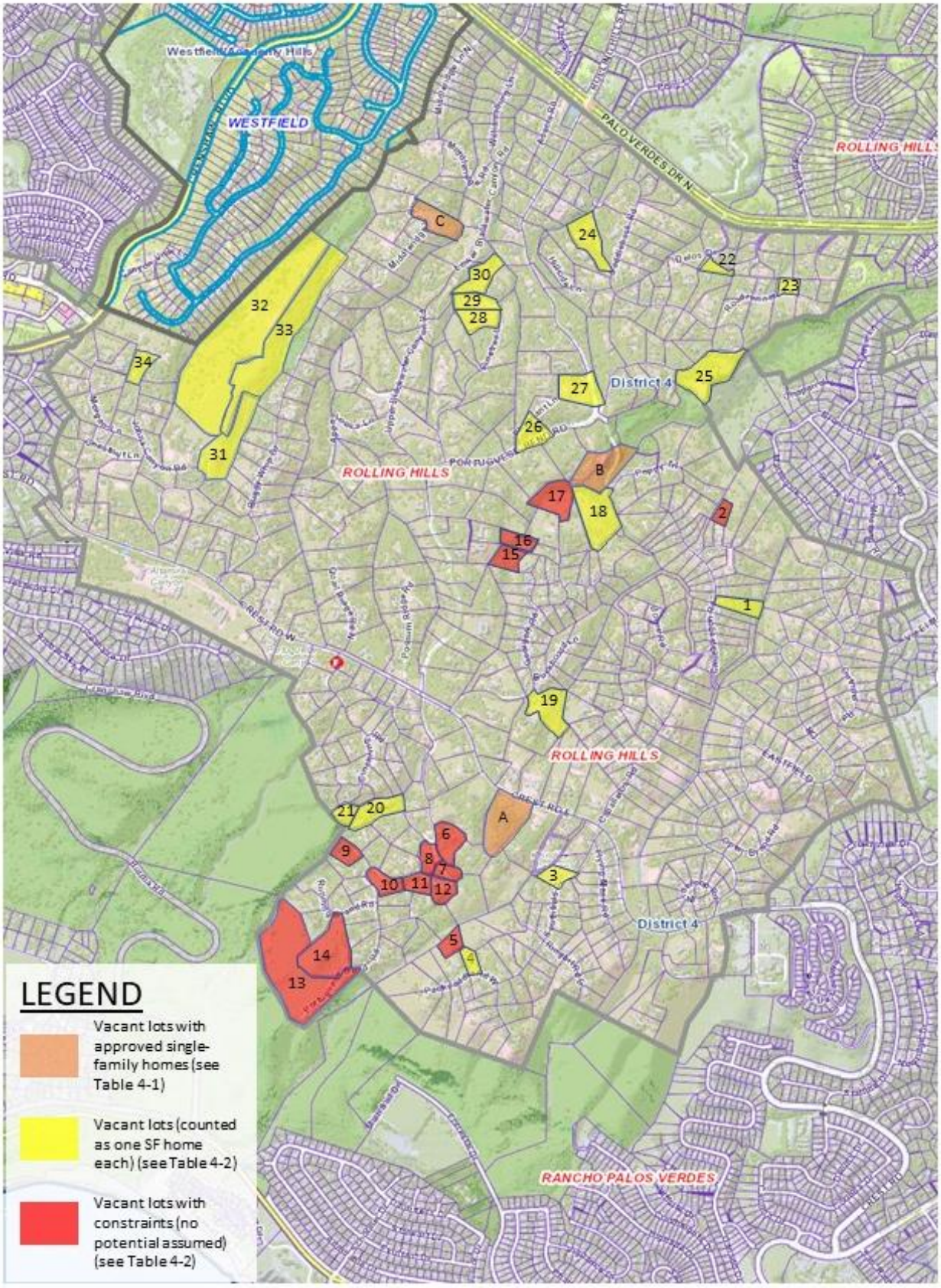


Figure 4.1: Vacant Residentially Zoned Sites

Several of the sites, such as those on Storm Hill Lane, are quite large and could potentially be subdivided. However, the "realistic" estimates are intended to be conservative and do not presume subdivision of any of the sites. These estimates also reflect the absence of sewer services on these sites, their very steep topography, and the severe risk of wildfire.

The vacant lots have the potential to completely meet the regional need for above moderate income units assigned to Rolling Hills. As noted, this need is five units for the 6th Cycle. Since three new single family homes are already in the pipeline (see Sec 4.2), the remaining need is two units. Several of the vacant sites are currently for sale, making it likely that the City will exceed its above moderate income allocation for 2021-2029.

Table 4.2 indicates the General Plan and zoning designations for each vacant site. Of the developable parcels, eight are in the RAS-1 zone (one acre minimum) and 12 are in the RAS-2 zone (two-acre minimum). No zoning changes are proposed or required to meet the above moderate income or moderate income allocations.

4.4 Lot Splits

There are a number of parcels in Rolling Hills with lot sizes that are more than double the minimum acreage required by zoning. Some of these parcels could theoretically be subdivided into two or more lots. Moreover, SB 9 (effective January 1, 2022) includes provisions to allow single family lots to be divided to allow new homes.

The potential for lot splits in Rolling Hills is very limited due to the configuration of the lots as well as environmental hazards, evacuation constraints, and the lack of a sewer system. Many of the city's larger lots have limited street frontage and irregular dimensions that would make it difficult to divide them. Moreover, the platting pattern responds to topography, and the larger lots are often steep and geologically constrained, making them difficult to subdivide. Their division could result in lots with no buildable area, street frontage, or access.

Although a limited number of new homes could conceivably occur as a result of future lot splits, a capacity estimate has not been made due to the constraints inherent in the community's topography and hazards. In addition, the reliance on septic tanks makes subdivision infeasible from a public health perspective, even on many larger lots. The supply of vacant lots is sufficient to meet the above moderate income RHNA without relying on lot splits.

4.5 Non-Vacant Sites

While Rolling Hills' above moderate income (or "market rate") RHNA can be met on vacant residentially-zoned land, the City's moderate, low, and very low income RHNA will need to be accommodated through a combination of development on non-vacant sites and accessory dwelling units (ADUs). The text below addresses non-vacant sites. ADUs and Junior ADUs (JADUs) are discussed in Section 4.6.

The sites described below provide the potential for 16 units of low- and very low-income housing. This potential is associated with the 31-acre Palos Verdes Peninsula Unified School

District (PVPUSD) site, where an overlay zone was created in 2021 to facilitate affordable housing. Other non-vacant properties addressed here are the City Hall complex, the Tennis Court Facilities, the Los Angeles County Fire Station, and the Daughters of Mary and Joseph Retreat Center parking lot. These properties have been determined to not be viable as potential housing sites. Non-vacant housing sites are shown in Figure 4.2.

4.5.1 PVPUSD Site/ Rancho Del Mar Overlay Zone (APN 7569-022-900)

In March 2021, the City of Rolling Hills adopted the Rancho Del Mar Overlay Zone on the 31-acre Palos Verdes Peninsula Unified School District (PVPUSD) property located at 38 Crest Road. Although the site is technically non-vacant, roughly three-quarters of the property (23 acres) is open space. The remaining areas are underutilized and could be repurposed.

Appendix B of this Housing Element provides a detailed evaluation of the site, demonstrating that it is the most suitable location for multi-family housing in Rolling Hills. The site also provides the City's best opportunity to meet its requirements for low- and very low-income units. It is located outside the jurisdiction of the Rolling Hills Community Association, outside the Rolling Hills security gates, and is one of the largest properties in the city. It includes multiple areas that are vacant and underutilized, relatively flat, and well buffered from adjacent uses. The site is also one of the only properties in Rolling Hills that is served by a public sewer system. This substantially reduces multi-family development costs and addresses an infrastructure constraint that makes affordable housing cost-prohibitive in almost all of the city. The site is also ½ mile from the corner of Crenshaw and Crest Roads in Palos Verdes Estates, which is served by four bus lines.

Existing uses on the PVPUSD site include Rancho Del Mar Continuation High School and a maintenance facility leased to the Palos Verdes Peninsula Transit Authority (PVPTA). Each of these activities is discussed below.

Rancho Del Mar School was initially developed as an elementary school in 1960. The school closed in 1980 and was repurposed as a continuation school in 1986. The continuation school was initially intended as a temporary use but has been in place for 35 years. The possibility of residential development on the site has been considered in the past. Enrollment at Rancho Del Mar has been steadily declining and was just 32 students in the 2020-2021 school year (California Department of Education, DataQuest). Enrollment has declined every year since 2014 and is now less than half of what it was just five years ago.[3]

The Beach Cities Learning (BCL) Center uses four classrooms in the school building. BCL serves students aged 11-22 with emotional, behavioral, and learning disabilities that cannot be addressed in public school settings. Students participate in individual and group counseling run by licensed therapists on-site. Total enrollment in 2019-20 was 17 students, with two teachers on-site (School Accountability Report Card, 2021).

[3] *California Department of Education indicates the following enrollment figures: 2020-21 (32 students); 2019-20 (46 students); 2018-19 (47 students); 2017-18 (58 students); 2016-17 (69 students); 2015-16 (72 students); 2014-15 (79 students)*

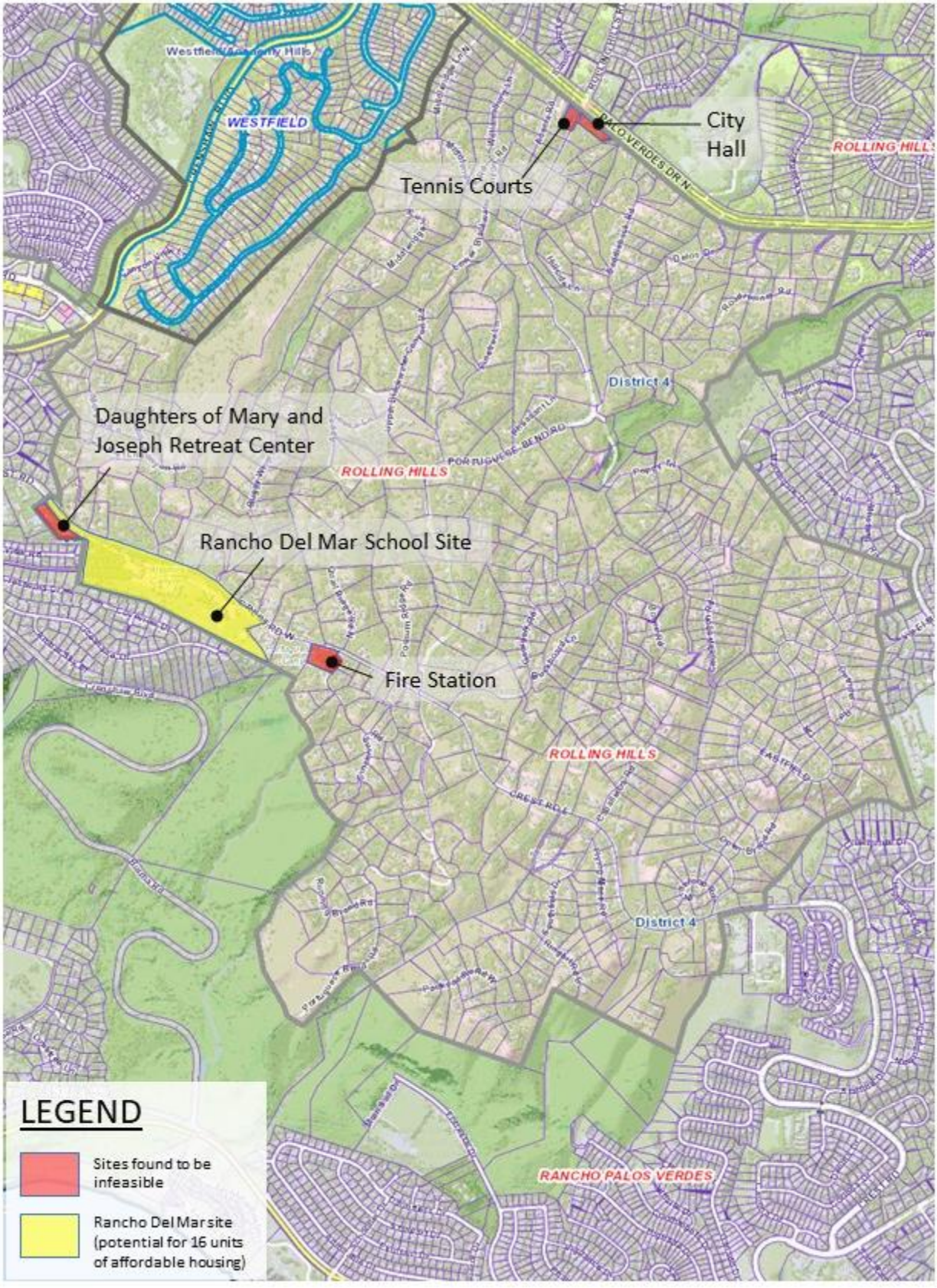


Figure 4.2: Non-Vacant Sites Evaluated

The school building is adjoined by a lawn, playing fields, and school parking lot. The complex serves only a fraction of the number of students for which it was designed. Moreover it occupies just 1.9 percent of the 31-acre site. Sale of the school property could generate significant revenue for the School District.

The only other active use on the property is the PVPTA maintenance facility, which occupies 4.5 acres. The PVPTA facilities include maintenance buildings and administrative offices and are self-contained in the west central part of the site. While PVPTA has no immediate plans to relocate, the site could be sold in the future or repurposed by the School District. In any event, the facilities occupy only 15 percent of the 31-acre site and have co-existed with the nearby school and adjacent residential uses for many years.

Roughly 75 percent of the PVUSD site is vacant, and at least five developable areas have been identified on the campus. These include the school itself (in the event it is closed), the ballfield east of the school, the large lawn adjacent to the school, a vacant area between the school and the PVPTA facility, and the undeveloped area west of the PVPTA facility. Each of these areas is at least one acre in size. The area west of the PVTPA facility is the largest of the five areas and the one deemed most viable as a multi-family housing site. It is the closest location to Crest Road and could easily be developed without affecting activities at either the school or the transit facility. Accordingly, the Rancho Del Mar Overlay Zone identifies this area as the location for future affordable housing.

The entire Rancho Del Mar site has a General Plan designation of Very Low Density Residential and an underlying zoning designation of RAS-2. The designation permits 16 units on the site, based on the site area of 31 acres and the density of one unit per two acres (31/2 = 15.5, rounded up to 16). However, the General Plan (as amended in 2021) requires that the allowable density for this site be transferred to a single location on the property where a density standard of 20-24 units per acre applies. This is reinforced and codified by the Rancho Del Mar Overlay Zone (RDMO). The RDMO effectively takes the 16 units of housing and transfers it to a single location on the west side of the parcel. The RDMO further mandates that any housing built on the site be 100% affordable to very low and/or low income households. Such development is permitted by right, provided that the development complies with the objective development and design standards contained in the RDMO.

The RDMO also provides opportunities for emergency shelter and single room occupancy (SRO) hotels. Emergency shelter is permitted by right, subject to objective development standards that have been adopted by the City. SROs require a conditional use permit and are also subject to objective design standards. These provisions create opportunities for extremely low income households as well as low and very low income households.

Creation of the RDMO occurred collaboratively with the School District. District staff confirmed that there are no prohibitions on the application of this zoning overlay or the use of the property for affordable housing. Moreover, the District has expressed interest in developing housing for teachers in the past; such units would likely meet income criteria for lower income housing. Programs in this Housing Element support active communication with the School District regarding the disposition of the area west of the PVPTA for affordable housing.

The PVUSD site also meets the "carry-over" criteria established by the State for sites that were counted in the prior cycle Element. It is zoned with a minimum density of 20 units per acre and permits "by right" development of affordable housing, subject to objective design and development standards. The current zoning was put in place just six months before the end of the Fifth Cycle planning period and was principally intended to provide a housing opportunity for the Sixth Cycle.

For the 2021-2029 Housing Element, the capacity figure of 16 lower income units is being used for the site. Under State Density Bonus law, a 100% affordable project would be eligible for an 80 percent density bonus. This could potentially result in 29 units of lower income housing, which is equal to the total number of units assigned to the City under the Sixth Cycle RHNA. However, State law precludes the City from counting potential density bonus units when determining its RHNA capacity. As explained in Section 4.6, the remaining 13 units will be met through Accessory Dwelling Units.

As indicated in Appendix B, the PVUSD site is large enough to accommodate multi-family housing, emergency shelter, and an SRO on the same property, either in the same sub-area or independently in different parts of the site. Neither the shelter beds nor the SRO rooms would be counted as independent "dwelling units" so they could be accommodated under existing General Plan densities. Moreover, all three of these uses are permitted by right, provided they meet the Municipal Code objective standards (which were previously reviewed by HCD in 2020). As noted above, the preferred location for the multi-family housing is in the western part of the property, near the access drive and closest to public transit and other urban services (see Figure 4 on Page B-8 in the Housing Element Appendix—this is labeled Area 5). This area is four acres. Only about one acre would be required for multi-family housing, leaving three vacant acres for the SRO and/or emergency shelter if all three uses are located in this area.

An SRO or emergency shelter could also locate in areas 1, 2, 3, or 4, as shown in Figure 4 in Appendix B, page B-8. As the map and text indicate, Area 1 is a 1.6-acre site that is flat and vacant. Area 2 is a 1.0-acre site that is flat and vacant. Area 3 is a 1.75-acre former school building that is mostly vacant and underutilized. Portions of this building could be easily be converted to group residential uses. Area 4 includes a ballfield and parking lot which collectively occupy 2.5 acres. There are no limitations in the housing overlay ordinance that limit where shelters or SROs can locate within the 31 acres. Areas 1, 2, 3, 4, or 5 all have adequate space for these uses.

4.5.2 Rolling Hills City Hall (APN 7569-003-904)

This site is located at the southeast corner of Palos Verdes Drive North and Portuguese Bend Road. Palos Verdes Drive North is a major thoroughfare and provides access from Rolling Hills to surrounding communities and the regional roadway network. Portuguese Bend Drive is a local street but the primary north-south route through the city, connecting to Crest Drive. This is one of the only sites in Rolling Hills that is located outside the security gates, and adjacent to a transit line. An elementary school and park are nearby in the City of Rolling Hills Estates.

The property is 1.22 acres and is roughly rectangular in shape. It has a General Plan designation of Civic Center and a zoning designation of Public Facilities (PF). Neither of these

designations permits housing, so a General Plan amendment would be required to enable its development. The site is owned by the City of Rolling Hills.

The parcel currently contains three structures: City Hall, the Rolling Hills Community Association Administration Building, and an accessory structure that houses an emergency generator. The site is relatively flat, although it is adjoined by a steep canyon to the east. There is a single family residence located to the south. To the west, there is a guardhouse in the median of Portuguese Bend Road, and a public tennis court on the west side of the road. Site ingress and egress is from Portuguese Bend Road. Direct access to Palos Verdes Drive North is not feasible due to high speeds and volumes and the existing traffic signal at the corner of Portuguese Bend.

Given the existing uses on the site and its function as the only civic building in Rolling Hills, the site is not a practical location for multi-family housing. Its rezoning is not recommended at this time.

4.5.3 Rolling Hills Tennis Court Facility (APN 7569-015-900)

This site is located immediately west of City Hall on the southwest corner of Palos Verdes Drive North and Portuguese Bend Road. It is adjoined by a residence and horse stables on the west and south and by street frontage on the north and east. The site is 0.86 acres and is one of the few properties located outside the City security gates. It is currently in use as a community tennis facility, with three tennis courts in total.

Like City Hall, the property has a General Plan designation of Civic Center and a zoning designation of Public Facilities (PF). Neither of these designations permits housing, so a General Plan amendment would be required to facilitate residential development. The site is owned by the City of Rolling Hills. Parking for the tennis courts is provided on the City Hall property to the east.

The site could potentially be converted to housing. At a density of 20 units per acre, it would yield 17 units. However, the community would lose parkland, which is already in short supply, as well as a well-used recreational amenity and gathering place. As a result, no rezoning is recommended.

4.5.4 Los Angeles County Fire Station (APN 7567-017-900)

This is a 2.2-acre site owned by the County of Los Angeles located at 12 Crest Road East. It is currently developed with Battalion 14 Fire Station 56, which provides fire and rescue services for Rolling Hills and nearby communities on the Palos Verdes Peninsula. While much of the parcel is open space, it occupies a steep downslope and would require costly grading and construction. Moreover, the Fire Station is an essential community asset and long-term use. This site is also located in an area that is far from services and amenities, not served by transit, and under the oversight of the Rolling Hills Community Association. Rezoning to allow housing is not recommended.

4.5.5 Daughters of Mary and Joseph Retreat Center (APN 7569-022-006)

The parcel is located on the western edge of the City, immediately west of the Rancho Del Mar (PVPUSD) site. It is outside the western City gatehouse at 5300 Crest Road and forms part of the 8-acre Daughters of Mary and Joseph Retreat Center, which straddles the border between Rolling Hills and Rancho Palos Verdes. The Retreat Center consists of two parcels—a 5.95-acre parcel located entirely in Rancho Palos Verdes that contains the buildings, gardens, and a portion of the parking lot, and a 1.96-acre parcel located entirely in Rolling Hills that contains parking, landscaping, and unimproved property.

The parcel has a General Plan designation of Very Low Density Residential and is zoned RAS-2. These designations would allow a single dwelling unit on the site. A General Plan Amendment and rezoning could be considered to allow multi-family housing on the property, or on a portion of the property. The unimproved portion of the site is about 0.67 acres, which could hypothetically support 13 units if developed at a density of 20 units per acre. This area has a 15-30 percent slope and would require grading to support multi-family construction. The flatter portion of the site (i.e., the parking lot) is larger and would be easier to develop but is currently in active use.

The City has had prior conversations with the Retreat owners regarding the possibility of housing on this site. While there are no plans to redevelop the property, it remains a potential long-term opportunity.

4.5.6 Conclusions

Based on the analysis above, only the Rancho Del Mar site is considered a viable housing site at this time. Consistent with the General Plan and Zoning amendments completed in 2021, the site is viable for 16 units of low/very income housing.

4.6 Accessory Dwellings

The City of Rolling Hills has estimated the potential for 40 ADUs and JADUs over the eight-year planning period, or approximately five (5) ADUs per year. This projection is based on the permitting of nine ADUs in 2021 alone, and the implementation of Housing Element program that encourage ADUs in the coming years. It is further based on a citywide survey conducted in October 2020 (with a 30 percent response rate) indicating that:

- 25 percent of the survey respondents indicated they had a secondary building on their property with a kitchen, bath, and sleeping area. Another 25 percent indicated their home had two kitchens or an area that could be “easily converted” into an ADU.
- 24 percent of the survey respondents indicated they would consider developing an ADU on their property now, with another 15 percent indicating they would consider this at some point in the future.
- 8 percent of the survey respondents indicated they would rent their ADU to a tenant while 24 percent said they would use it for a caregiver or employee and 31 percent said they would use it for a family member.

Extrapolating these results to the citywide total of 639 households, the results suggest that:[4]

- An estimated 153 households might be interested in developing an ADU on their properties, with another 95 potentially interested at some future date.
- An estimated 51 households would rent their ADU to a tenant, 153 would be interested in using their ADUs for a caregiver or domestic employee, and 198 would consider using an ADU for a family member.

The survey, combined with physical characteristics of the City's large lots and building stock, indicate significant potential for ADU development. ADUs could be created through new construction, conversion of existing guest houses and barns, and reconfiguration of interior spaces in primary residences. The latter category includes Junior ADUs (JADUs), which are often affordable to very low income tenants "by design" given their small size.

A majority of the 2020 survey respondents indicated they would use their ADU for a family member, caregiver, or other domestic employee. A substantial number of these households would likely pay reduced rent, or no rent at all. Some would likely meet HCD criteria for extremely low income households.

In order to demonstrate the suitability of ADUs and JADUs to satisfy the RHNA, the City must estimate the affordability of ADUs by income category. This requires data on occupancy and rents. The 2020 ADU survey conducted by the City identified 12 ADU tenants, including two extremely low income, two very low income, one low income, and seven who were moderate or above moderate income (see Appendix C). This is based on data provided by survey respondents and the HUD income categories by household size for Los Angeles County. The City's 2020 ADU survey produced only two data points for rents—one unit renting for $950 and another for $1,500. Both of these were market-rate units with no deed restrictions.

In addition, weekly scans of Craigslist ads in 2021 identified two ADUs in Rolling Hills and two in Rolling Hills Estates, with rents of $895 for a "basement apartment", $1,200 (for a JADU at an unidentified address), $1,800 (for a one-bedroom one bath "guest house"), and $3,950 for a two-bedroom one bath, 1,000 square foot guest house. Assuming a household size of two, the rents for these six units correspond to two very low-income units, three low income units, and one above moderate income unit. This is a limited sample size, however, and it excludes units that may be occupied "rent free" or without advertising.

In 2020, the Southern California Association of Governments conducted a survey of ADU rents in multiple jurisdictions across the region. The stated purpose of the survey was to "provide local governments with assumptions for ADU affordability that can be used to assign ADUs to income categories for the purpose of Sixth Cycle Housing Elements."[5] The SCAG study was organized by geographic sub-area, including one sub-area corresponding to Coastal Los Angeles County. The survey included an estimate of the percentage of ADUs that would be affordable to "Extremely Low Income" households, which included units that were available for

[4] The numbers in the three bullets below this sentence have been developed by applying the percentages from the survey to the total citywide housing stock. This assumes that the 192 households who responded are representative of the 639 households that live in Rolling Hills.

[5] SCAG Regional Accessory Dwelling Unit Affordability Analysis, published by SCAG in 2020

little or no rent and were not advertised (for instance, a detached in-law unit occupied by the elder parents of the homeowner).

The distribution identified in the SCAG survey (for Coastal LA County) was as follows:

Extremely Low:	15%
Very Low:	2%
Low:	43%
Moderate:	6%
Above Moderate:	34%

This distribution is roughly consistent with the sample taken by the City of Rolling Hills and the survey data collected in 2020. Applied to the City's projection of 40 units, the allocation using SCAG's methodology would be:

Extremely Low:	6 units
Very Low:	1 unit
Low:	17 units
Moderate:	2 units
Above Moderate:	14 units

This is equivalent to 24 lower income units and 16 moderate and above moderate units.
All of the ADUs permitted to date have been "full" ADUs, meaning they are at least 500 square feet in size. Among the City's Housing Element programs is an initiative to create at least five JADUs. Given the small size of these units and the fact that they are created by repurposing existing space, they are more likely to be affordable to very low income households, thus shifting the distribution shown above so that more "very low" income units are produced.

In addition, based on actual production of ADUs in 2021, the City anticipates a smaller share of "Low" income units and a larger share of "Moderate" income units. Moderate income units represented one-third of the production in 2021, which suggests something closer to the following distribution for 2022-2029:

Extremely Low:	7 units (occupied rent-free or at minimal charge)
Very Low:	5 units
Low:	6 units
Moderate:	8 units
Above Moderate:	14 units

Housing Element programs have been developed to ensure that the City reaches its very low/ extremely low income ADU targets.

4.7 Summary of Ability to Meet RHNA

As shown in Table 4.3 below, the combination of recently approved housing units (expected to be occupied in 2022), future affordable units on the Rancho Del Mar site, and new ADUs can accommodate the RHNA allocation in all income categories. The table illustrates a surplus capacity of seven lower income units based on projected ADU production over the planning period.

Table 4.3: Summary of Housing Opportunities, 2021-2029

	Income Category				TOTAL
	Extremely Low/ Very Low	*Low*	*Moderate*	*Above Moderate*	
Approved Development	--	2	3	7(*)	**12**
Vacant Residential Lots	--	--	--	20	**20**
Rancho Del Mar site (**)	8	8	--	--	**16**
Accessory Dwelling Units	12	6	8	14	**40**
TOTALS	20	16	11	41	**88**
RHNA	20	9	11	5	**45**
Surplus/ Deficit	***0***	***+7***	***0***	***+36***	***+43***
Adequate Sites?	YES	YES	YES	YES	**YES**

Source: Barry Miller Consulting, 2021
(*) includes 3 new homes and 4 large ADUs, see Table 4.1.

4.8 Opportunities for Energy Conservation

Home energy costs, including electric and natural gas utility bills, are considered part of monthly housing expenses. The large floor area of many Rolling Hills homes suggests that this may be an important consideration in the city. Home energy bills can be substantial, particularly for senior households on fixed incomes. Government Code Section 65583(a)(7) requires the Housing Element to include an analysis of opportunities for residential energy conservation and reduced energy costs.

The US Department of Health and Human Services provides funding for a program known as the Low-Income Home Energy Assistance Program (LIHEAP). In California, the program is administered by the Department of Community Services and Development. LIHEAP is aimed at assisting low-income households that pay a high portion of their incomes to meet their energy needs. This is achieved through one-time financial assistance grants covering the utility bills of eligible households, an energy crisis intervention program to help low-income households in danger of having their utilities turned off, free weatherization and energy efficiency upgrades to qualifying households, and energy education and budget counseling. Low income customers are also eligible for reduced rates through the California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs.

Southern California Edison (SCE) and the Southern California Gas Company offer energy conservation and assistance programs. These include home energy audits, rebates on energy-efficient appliances, and weatherization assistance to qualified low-income companies. SCE has an energy management assistance program for qualifying households.

While the measures above are aimed at meeting day to day utility bills, there are also more systemic long-term ways to reduce home energy costs. Nearly half of the homes in Rolling Hills were built before 1960, many without consideration given to the cost and availability of energy. Weatherization and insulation can provide significant reductions in home energy use and reduce monthly utility bills. Replacement of older appliances can likewise provide significant long-term savings. A variety of rebates and other financial incentives are available for homeowners.

In addition, all new construction in California is subject to State building code and energy standards, including Title 24. These requirements apply to most remodeling projects, creating opportunities to retrofit older homes. The standards are periodically updated to reflect new technology and targets for reducing greenhouse gas emissions. The latest standards incorporate the California Green Building Code, including energy-saving design standards for walls, ceilings, and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, window glazing, and the use of renewable energy sources such as solar energy. These standards are incorporated in Title 15 of the Rolling Hills Municipal Code (the Building Code).

The City also encourages the use of solar panels to maximize energy efficiency, as well as the application of passive solar design principles that reduce heating and cooling costs. These measures include home orientation and siting, landscaping to reduce direct sunlight, placement of windows to support home heating and cooling, the use of skylights, and incorporation of overhangs and shade structures. In addition, home energy costs can be reduced by incorporating some or all of the measures listed below:

- Solar heating for swimming pools
- Flow restrictors on hot water faucets and showerheads (to reduce natural gas use)
- Tankless water heaters
- Attic ventilation systems that reduce attic temperatures during summer months.
- Insulation, caulking, and weatherstripping to guard against heat gain in the summer and prevent heat loss in the winter. These measures can reduce energy use for air-conditioning up to 55 percent and for heating as much as 40 percent.
- Proper maintenance and use of stoves, ovens, clothes dryers, washing machines, dishwashers, and refrigerators.
- Purchase of air-conditioning units and refrigerators on the basis of efficiency ratings (the State prepares a list of air-conditioning and refrigerator models that detail the energy efficiency ratings of the product)

Indoor and outdoor lighting also impacts home energy costs. The City has adopted standards for outdoor lighting through its Municipal Code (Section 17.16.190(E)). Energy efficient lighting is required in most cases, and outdoor lighting is prohibited in many instances to retain dark skies and the community's rural character. For interior spaces, the costs of lighting can be reduced through purchase of light bulbs which produce the most lumens per watt, avoidance of multi-bulb mixtures, and use of long-life bulbs and clock timers.

As a member of SCAG, the City also participates in the Regional Comprehensive Plan to achieve a sustainable future. The City also has joined ICLEI, which is a membership association of local governments committed to advancing climate protection and sustainable development. Rolling Hills also is a participant in the South Bay Cities Council of Governments Environmental Services Center. The Center serves as a clearinghouse for information on energy efficiency, renewable energy, and sustainability. It assists residents, businesses, and public agencies with incorporating energy-saving practices in their daily lives and operations.

Water conservation provides another opportunity to reduce home utility costs. The City has adopted a Water Efficient Landscape Ordinance (Chapter 13.18 of the Municipal Code), and encourages the use of low-flow plumbing fixtures and products to reduce water use.

4.9 Financial Resources

This section of the Housing Element summarizes financial resources for affordable housing in Rolling Hills. An overview of federal and State programs, as well as tax credit programs, is provided below.

4.9.1 Federal Programs

A major source of housing assistance in many communities is the Community Development Block Grant (CBDG) program (including the Los Angeles County Urban County CDBG program, which provides federal funds to about 50 participating small cities). Rolling Hills no longer participates in this program, as the cost of its administration made it infeasible. When the City did participate, it received approximately $6,000 per year. The City transferred these funds to Rancho Palos Verdes, an adjacent city which has a population roughly 25 times larger than Rolling Hills.

Opportunities for funding through other federal programs is limited. For example, the federal Home Investment Partnership (HOME) program is designed to increase home ownership and affordable housing opportunities for low and very low-income Americans. The funds are distributed to jurisdictions based on need. They support programs such as loans to assist low-income families with down payments to purchase homes, tenant-based rental assistance, rehabilitation of affordable housing, and relocation assistance for low-income tenants. The high cost of land and construction, limited opportunities for home ownership, absence of a sewer system, and very high incomes in Rolling Hills, make the City non-competitive for these applications.

Likewise, HUD's Section 202 program provides funding for construction, rehabilitation, and acquisition of structures for supportive housing for very low-income seniors. It offers interest-free capital advances, as well as rental assistance funds. The funds are provided to private and non-profit organizations and consumer cooperatives and are highly competitive. Use of these funds in Rolling Hills is constrained by the community's natural hazards, lack of infrastructure, and high land costs. The use of project-based federal Section 8 funding for new affordable housing and substantial rehabilitation of existing housing is infeasible in Rolling Hills for these same reasons.

The federal government also operates the Section 8 Housing Choice Voucher Program. This program assists very low-income families, the elderly, and the disabled in securing housing in the private market. Participants may choose any housing that meet the requirements of the program. A housing subsidy is paid directly to the property owner, and the tenant pays the difference between the actual rent charged and the amount subsidized by the program. Housing choice vouchers could potentially be used on ADUs, but this is rarely done in practice.

HUD also operates the Section 203(k) program, which facilitates the rehabilitation and repair of single-family residential properties by insuring homeowner loans for purchase or refinancing. It can enable homebuyers to purchase homes that need significant repairs and can also be used for a variety of other improvements. These funds can also be used to enhance accessibility for people with disabilities, and to eliminate health and safety hazards. Eligibility for this program in Rolling Hills is limited due to the factors cited earlier.

Other HUD programs include Section 811 Supportive Housing for Persons with Disabilities (interest-free capital advances, operating subsidies, and/or project rental assistance for eligible projects developing affordable housing for persons with disabilities) and the Federal Housing Finance Agency's Affordable Housing Program (AHP). These programs are most viable in areas with lower land and development costs, as well as available infrastructure and services.

4.9.2 State Programs

The State of California provides resources for affordable housing construction, rehabilitation, and assistance. Many of these programs are oriented toward populations in need of assistance or housing stock requiring repair or rehabilitation. The absence of these populations, coupled with the cost of land and construction in Rolling Hills and the excellent quality of the City's housing stock, render the City ineligible for many types of assistance. The only site where State financial resources could likely be feasible is the PVUSD site, given that it is publicly owned and has infrastructure and public street access.

In 2017, the State approved SB 2, which established a $75 recording fee on real estate documents to increase the supply of affordable homes in California. The State subsequently established the Local Early Action Planning (LEAP) grant program which provides funding for local planning activities aimed at supporting housing production. In 2020, the City of Rolling Hills received a $65,000 LEAP grant, which was used to fund preparation of the Housing Element. The City may be eligible for future planning grants and other SB 2 funds that facilitate housing affordability and promote projects and programs to implement the Housing Element.

The California Housing Finance Agency (CHFA) provides loans for construction of affordable housing projects and could be a source of revenue for future affordable housing development in the Rancho Del Mar Overlay Zone. The State provides a pre-development loan program for low-income housing projects, and low-interest long-term deferred payment loans through the Multi-Family Housing Program. These sources could potentially be used on the PVPUSD site. CHFA also provides financing for rehabilitation of housing by low- and moderate-income households, which would generally not be viable in Rolling Hills due to housing conditions, costs, and local income levels.

The State Department of Housing and Community Development provides funding for a variety of programs to prevent homelessness and assist those who are unhoused. These programs can fund construction of shelters and provide direct subsidies to individuals. HCD programs also help support supportive and transitional housing.

4.9.3 Resources for the Private and Non-Profit Sectors

The primary affordable housing financing resources for the private and non-profit sectors are tax credits and mortgage revenue bonds. Developers can also take advantage of various state regulatory tools, such as density bonuses and reduced parking requirements for projects incorporating affordable units.

The federal Low Income Housing Tax Credit (LIHTC) Program was created by the Tax Reform Act of 1986 to provide an alternate method of funding affordable housing. Each state receives

a tax credit based on its population—that credit is then used to leverage private capital into new construction or acquisition and rehabilitation projects. The California Tax Credit Allocation Committee (TCAC) competitively administers credits to projects based on priorities they set each year. Once constructed, a specific percentage of the units must remain rent-restricted, and occupancy of those units is limited to people meeting specific income criteria.

The California Public Finance Agency administers an Affordable Housing Bond program, which provides developers with access to tax-exempt bonds to finance lower-income multi-family and senior projects. A qualified developer can finance a project at a lower interest rate because the interest paid to bond holders is exempt from federal income tax. This program is often done in tandem with tax credits.

Individual home buyers may also be eligible for Mortgage Credit Certificates (MCC), working through a lender and the Los Angeles County Development Authority. This program provides a federal tax credit for income-qualified homebuyers equivalent to 15 percent of annual mortgage interest. Generally, the tax savings are calculated as income to help buyers qualify to purchase a home. Buyers in Rolling Hills would generally be ineligible due to the very high income required to purchase a home in the city.

4.9.4 Summary of Prospective Financing Sources

Due to the City's small population, low density, very high fire hazards, and lack of infrastructure, government resources for housing are extremely limited. The City's residents are generally ineligible for State and federal housing assistance based on income and home ownership status. The City does not have a housing department, and has no regular local, state, or federal revenue source for housing. The use of traditional approaches to financing affordable housing are also limited by the relatively small number of units that would be contained in an individual development project in the city.

Despite these constraints, the City is amenable to exploring future funding sources and supporting applications that would facilitate housing rehabilitation and development. Given the absence of a sewer system in the city, one of the most important financial resources potentially available to the City is State and federal funding for sanitary sewer and storm drainage improvements. The City is continuing to pursue grants to extend sewer service and improve water quality; this could potentially create future housing opportunities on sites that are not viable today.

Low-income housing tax credits could be considered to facilitate housing on the PVPUSD site. Eligible projects on this site could also use State density bonus provisions, thereby increasing the potential number of units. Other programs that could be considered include those that assist lower income seniors with energy conservation, septic system improvements, and minor home repair.

5.0 Constraints to Housing Production

5.1 Introduction

Government Code Sections 65583(a)(5) and (6) require the Housing Element to contain an analysis of governmental and non-governmental constraints on the maintenance, improvement, and development of housing for all income levels. Governmental constraints include land use controls, building codes and code enforcement practices, site improvement requirements, fees and other exactions required of developers, local processing and permit procedures, and any locally adopted ordinances that directly impact the cost and supply of residential development. Non-governmental constraints include the availability of financing, the price of land, the cost of construction, requests to develop at densities below what is allowed by zoning, community opposition, and similar factors.

In each case, the Housing Element is required to demonstrate local efforts to remove constraints that are identified, thus improving the City's ability to meet its Regional Housing Needs Allocation. The extent to which these constraints are affecting the supply and affordability of housing in Rolling Hills is discussed below, along with past (or proposed future) efforts to eliminate those constraints.

5.2 Governmental Constraints

Governmental constraints include activities imposed by local government on the development of housing. These activities may impact the price and availability of housing, the ability to build particular types of housing, and the time it takes to get housing approved and constructed. While these requirements are intended to improve housing quality and protect public safety, they may have unintended consequences.

5.2.1 Rolling Hills General Plan

Every city and county in California is required to adopt a General Plan for its long-term development. This Housing Element is actually part of the General Plan but it stands on its own as a separate document since it is updated on a schedule set by the State of California. The other elements of the General Plan are updated as needed. Most cities update their plans every 15 to 20 years.

Most of the Rolling Hills General Plan was drafted in 1990. In addition to the Housing Element, the Plan includes a Land Use Element, a Circulation Element, an Open Space/ Conservation Element, a Safety Element, and a Noise Element. An update to the Safety Element was prepared concurrently with the Housing Element, in response to recent State requirements.

The Rolling Hills Land Use Element includes a Land Use Policy Map illustrating the types of uses permitted throughout the city. When the Map was adopted in 1990, it reinforced existing parcel patterns and responded to the infrastructure, geologic, wildfire, and environmental constraints in

the city. Four categories are shown: Very Low Density Residential (2 acres per unit), Low Density Residential (1 acre per unit), Civic Center, and Publicly-owned Open Space. Prior to 2020, the City did not allow development at densities greater than one unit per acre and had no General Plan provisions for multi-family housing. As part of 5th Cycle Housing Element implementation, the City amended its Land Use Element to add the Rancho Del Mar Housing Opportunity Overlay designation to the Map (corresponding to the 31-acre Rancho Del Mar school site). At the same time, the City adopted new Land Use Element standards and policies allowing multi-family housing in the Overlay area, along with policies allowing a diverse mix of housing units, as required by state law.

The Land Use Element recognizes Rolling Hills' heritage as an equestrian community comprised of large lots on steep terrain. Its policies call for buffering between uses, preservation of views, and minimizing exposure to landslides, wildfires, and other hazards. These policies remain appropriate given the safety hazards in the community. The Element specifically discusses the 150-acre Flying Triangle landslide hazard area, noting that the area is subject to a moratorium due to unstable geologic conditions. It also notes that many existing parcels are constrained by steep slopes and have only small areas that are suitable for building pads and construction.

Recent amendments to the Safety Element further emphasize environmental hazards in the city, as well as constraints associated with evacuation, water supply, and emergency vehicle access. These constraints make most of Rolling Hills poorly suited for additional development or zoning changes that would result in increased density and population.

As it currently stands, the General Plan is not a development constraint.

5.2.2 Zoning Standards

The Rolling Hills Zoning Ordinance (Chapter 17 of the Municipal Code) implements the General Plan and provides objective development standards for all parcels in the City. There are three zoning districts in the City:

- Residential Agricultural Suburban 1 (RAS-1), which has a one-acre minimum lot size
- Residential Agricultural Suburban 2 (RAS-2), which has a two-acre minimum lot size
- Public Facilities (PF)

The RAS-1 zone roughly corresponds to the "Low Density Residential" General Plan designation The RAS-2 zone roughly corresponds to the "Very Low Density Residential" General Plan designation.[1] The PF zone corresponds to the "Civic Center" General Plan designation. Parcels with a General Plan designation of "Publicly-owned Open Space" are zoned RAS-1 or RAS-2, whichever is prevalent on private parcels in the vicinity.

There are also two overlay districts. Overlays are mapped "on top" of one of the three base zones listed above and apply additional regulations specific to subareas of the city. The first overlay district (OZD-1) provides more lenient setback standards in an area of the city characterized by smaller lots. Roughly 70 lots along Middleridge Lane, Williamsburg Lane, Chesterfield Road and Chuckwagon Road, are covered. The second overlay district (RDMO) is

[1] *Parcels along Spur Lane and Cinchring Road have a General Plan designation of Very Low Density Residential but a zoning designation of RAS-1.*

the Rancho Del Mar Overlay, which is mapped on the Rancho Del Mar School site in the RAS-2 district. The RDMO requires the transfer of General Plan density for the property as a whole (which yields 16 units) to a single location in order to facilitate the production of multi-family housing. This overlay also includes objective standards for multi-family housing and emergency shelter, which are permitted by right.

The zoning ordinance includes definitions of terms (Chapter 17.12). At this time there are no definitions of transitional and supportive housing, both of which must be permitted in every residential district under state law. An action program in this Element has been included to make that Code amendment. The definitions expressly acknowledge manufactured and mobile homes as being the same as detached single family dwellings, provided they are located on a foundation.

The zoning regulations indicate permitted and prohibited uses in each zoning district. Single family residences and accessory dwelling units are permitted "by right" in RAS-1 and RAS-2. The only expressly prohibited uses are short-term rentals (less than 30 days), commercial cannabis activities and cannabis dispensaries. Numerous types of accessory structures are permitted by right, including stables, pools, sheds, and small (under 200 SF) cabanas, guest houses, pool houses, garages, greenhouses, and similar structures. Such structures generally require conditional use permits when they exceed 200 SF (accessory dwelling units are excluded from this requirement). Other conditional uses include schools, fire stations, and similar public buildings and utilities. Site plans are required when development is proposed.

Table 5.1 summarizes the development standards in the RAS-1 and RAS-2 zones, starting with the minimum lot size requirements of one acre and two acres. The Code states that existing parcels of record that are smaller than the minimum lot size requirements are considered to be conforming. Minimum dimensional standards are established for new lots, including the ratio of width to depth and a requirement for a minimum width of 150 feet. There are also standards for minimum street frontage, keeping in mind that most streets are private and contained within easements. These standards are more flexible on cul-de-sacs, depending on turning radius.

As indicated in Table 5.1, building coverage is limited to 20 percent of the net lot area in both the RAS-1 and RAS-2 zones. Total impervious surface coverage (structures and hardscape) is limited to 35 percent of the net lot area; maximum disturbed area is limited to 40 percent of the net lot area; and building height is restricted to one story. The code identifies 2:1 (50%) as the maximum buildable slope. A minimum dwelling size of 1,300 square feet is established for the primary unit on the site. The Code includes setback standards of 50' for front and rear yards, and 20' for side yards in RAS-1 and 35' for side yards in RAS-2. Lower standards apply in the OZD-1 overlay zone and exceptions are provided for lots along street easements.[2]

The zoning code affirms the one-story construction requirement established by the Rolling Hills Community Association (the RDM Overlay area is subject to a two-story requirement). The finished floor of structures must be no more than five feet above grade. Basements are permitted and storage areas may be located above or below a story. The code also provides standards for graded building pads and requirements for stables and corral sites.

[2] *The City is currently developing standards to implement SB 9, which allows the division of existing lots into two parcels and the construction of two dwellings on each parcel, subject to specific objective standards and other considerations.*

Table 5.1: Summary of Rolling Hills Zoning Standards[1]

	RAS-1	RAS-2	OZD overlay
Minimum Lot Size	1 acre	2 acres	N/A
Setbacks			
Front	50' from front easement line [2]		30 feet from front roadway easement
Side	35 feet [3]	20 feet [3]	20 feet, reduced to 10' for street side yards
Rear	50 feet		
Structure Coverage [4]	20%		
Impervious Surface Coverage	35%		
Building Pad Coverage	30%		
Maximum Disturbed Area	40% of net lot area (excl. easements)		
Maximum Height	One-story		

(1) Standards for the RDM Overlay Zone and standards for ADUs are addressed in Section 5.3.2 of the Housing Element.
(2) Most property is Rolling Hills is subject to easements varying in width around each property boundary and road easements, granted by the property owner to the RHCA, a private corporation, or another person or entity for the purpose of construction and/or maintenance and use of streets, driveways, trails, utility lines, drainage facilities, open space, and/or a combination of these uses. The RHCA requires that all easements must be kept free of buildings, fences, plantings or other obstructions.
(3) Reduced to 20' in RAS-2 and 10' in RAS-1 and OZD if there is a private street along the side property line.
(4) The percentage figures in Table 5.1 apply to the "net lot area" on each parcel, which excludes these easements.

Additional standards in the Zoning Code prohibit reflective outdoor siding, limit outdoor lighting (to maintain dark skies), and require Class "A" roofing. Conditions are established for specific accessory uses, such as greenhouses, pools, and playgrounds. This includes a requirement that guest houses (which are different from ADUs) may not exceed 800 square feet. Whereas guest houses may not be rented and typically require a conditional use permit, ADUs are permitted by right and subject to different standards (see P. 5-5).

A minimum of two garage parking spaces are required for each single family dwelling unit. An additional space is required for homes with guest houses (as noted above, guest houses are treated differently than ADUs). Homes are also required to have driveways, which are generally limited to 20 feet in width and one per lot, though exceptions apply. The parking requirement is not a development constraint and is appropriate given the size of parcels, the high number of automobiles per household[3], and the fact that the streets lack sidewalks and are too narrow to permit on-street parking. There is also no public transit service in the city.

[3] The 2015-2019 US Census American Community Survey indicates that 63% of all households in Rolling Hills own three or more vehicles.

The development standards in Table 5.1 do not present constraints to the construction of single family homes. Even a "small" substandard lot of 200' x 200' (40,000) square feet would be allowed 16,000 square feet of buildable area after required setbacks are subtracted. The allowable structure coverage on such a lot would be 8,000 square feet, providing more than enough space for a residence and detached accessory structures. The requirement for single-story construction has not constrained single family construction, given the ample building footprint accommodated on each site. In fact, single-story construction has enabled many older adults in Rolling Hills to age in place.

State law also requires the Housing Element to include an analysis of requests to develop housing at densities below those anticipated in the sites inventory. No such requests have been received in Rolling Hills, as development typically occurs on existing lots rather than through subdivision or multi-unit construction.

5.2.3 Standards for Different Housing Types

Section 65583 and 65583.2 of the Government Code require cities to plan for a "variety of types of housing, including multi-family rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single room occupancy units, emergency shelters, and transitional housing." Accordingly, the Rolling Hills Housing Element includes provisions for each of these housing types in the city, with the exception of housing explicitly reserved for agricultural employees, since this was not identified as being a need in the city.

Accessory Dwelling Units

An Accessory Dwelling Unit—or ADU—is an attached or detached dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. ADUs are commonly known as in-law units, second units, or granny flats. A "Junior" Accessory Dwelling Unit (or JADU) is an ADU that it is no more than 500 square feet in size, contained entirely within the footprint of an existing or proposed single family dwelling, and has an efficiency kitchen. JADUs often have their own bathrooms but they may also share bathrooms with the primary residence. State law now requires that all cities and counties permit ADUs and JADUs meeting certain standards "by right"—in other words, without a public hearing or discretionary approval.

Prior to 2018, ADUs and JADUs were not permitted in Rolling Hills. However, the zoning regulations allowed the construction of non-rentable guest houses for family members, visitors, and domestic employees on all residential properties. The large size and high value of properties in Rolling Hills has supported the development of guest houses in the past, resulting in a large inventory of structures that could potentially be converted from guest houses to ADUs in the future. The city also has a large number of accessory structures such as barns, pool cabanas, studios and workshops that could be converted to ADUs. Because of the single story construction requirement, there are also a substantial number of homes with floor plans conducive to Junior ADUs, as many homes have wings, additions, or rooms that could easily be partitioned as independent living units.

In January 2018, the City Amended Chapter 17.28 of the Municipal Code to allow for the construction of Accessory Dwelling Units and Junior Accessory Dwelling Units (ADUs and

JADUs). Consistent with State law (Government Code 65852.2 and 65852.22), the City allows ADUs and JADUs ministerially (e.g., without a discretionary public hearing) provided the units meet specific standards and design criteria established in the zoning code. The City has also created a discretionary review path for projects that do not meet these standards.

Chapter 17.28 establishes that an ADU and JADU may be allowed with a simple building permit if it is within the space of an existing single family dwelling or accessory structure, including an allowance for up to 150 additional square feet for ingress and egress. The unit must also have exterior access independent of the single family dwelling and side and rear setbacks that meet building and fire codes. In addition, detached ADUs are permitted with a building permit (and no additional permit) if they are 800 square feet or less, no more than 16 feet tall, and have side and rear setbacks of at least four feet.

A second permitting path has been created for units that are between 800 and 1,000 square feet. Such units require an ADU Permit, which like the building permit is issued ministerially, with no discretionary review. These units are subject to a size limit of 850 square feet for a studio or one bedroom and 1,000 square feet for a two-bedroom unit. If attached to the primary dwelling, the unit is subject to a requirement that it may not exceed 50 percent of the floor area of the existing primary dwelling. The ADU may not cause the lot coverage on the property to exceed 50 percent or cause the FAR to exceed 0.45. Setback standards also apply.

The City's ADU ordinance incorporates State standards for parking, which waive parking requirements for JADUs and units created by converting habitable accessory structures. Parking is also waived for units near public transit stops or car-share vehicles. This is generally not applicable in Rolling Hills, since the community is not served by transit or car-share services. Per State law, the Code allows for carports and garages to be converted to ADUs without replacement parking. Where this situation does not apply, one space is required for each ADU, and tandem parking is permitted.

ADUs are subject to general requirements, such as fire sprinklers (if the unit is in the primary residence) and a prohibition on short-term rentals (less than 30 days). They are also subject to permit streamlining requirements, including a requirement to act on the application within 60 days after it is deemed complete. This time period may be extended at the applicant's request, or if the ADU is located within a new single family dwelling on the lot. The City allows both the ADU and the primary residence to be rented, although there are limitations on renting JADUs if the primary residence is not owner occupied.[4] The City's Ordinance also prohibits the sale of an ADU separately from the lot and primary dwelling.

ADUs are also subject to basic architectural standards, including compatibility with the design of the primary dwelling. This is objectively quantified, for instance by specifying that the roof pitch must match the primary dwelling, and that the entry be on the side or rear elevation. The ADU is also subject to a minimum length and width standard of 10 feet, and a minimum ceiling height of seven feet. Landscape screening requirements apply to units that are near adjacent parcels. If the ADU changes the building exterior or involves a new structure, it is subject to design review by the Rolling Hills Community Association Architectural Committee (see next section for further discussion).

[4] JADUs (units created within the floorplan of an existing home) are subject to an owner-occupancy requirement unless the property is owned by a government agency, land trust, or housing organization.

ADUs smaller than 750 square feet are exempt from all impact fees. Units larger than 750 square feet may only be charged impact fees that are proportionally related to the square footage of the unit. The Code also includes waivers for utility connection fees for most ADUs, thereby reducing construction and operating costs. Moreover, the Code provides the option for a conditional use permit for ADUs that do not conform to the basic development standards of Chapter 17.28.

Overall, these requirements do not constrain or inhibit ADU or JADU construction. The regulations reflect State regulations and create ample opportunities for homeowners to earn extra income while providing a new dwelling unit for a tenant, employee, caregiver or family member. Given the large lot sizes in the city, the setback standards, FAR standards, and lot coverage limits still allow for generous ADU footprints. Likewise, the single story requirement is consistent with the requirement for single family homes. The "bonus" 150 square feet for JADU ingress/egress creates an incentive for such units. The requirement to provide a parking space is consistent with State law, since there is no transit in Rolling Hills—and is not a constraint given the large lot sizes and substantial driveway space available on most lots.

While no constraints have been identified, there are opportunities to provide incentives for ADUs that have yet to be realized. Because of recent changes to State law, there are opportunities for ADUs to be conveyed separately or operated by non-profits and/or affordable housing providers. As noted in Chapter 6, the City will pursue future programs to encourage ADU construction, including ADUs for very low and low income households. This includes creating a roster of ADUs and an inventory of units that meet "extremely low income" needs by providing housing for family members, domestic employees, or other long-term occupants.

Additionally, State law for ADUs was amended in 2020 and 2021. Several provisions in the City's regulations must be updated for consistency. This includes eliminating the prohibition on ADUs with more than two bedrooms, and adding a provision that completed applications be deemed approved if they are not acted upon within 60 days. The City will work with the State Housing and Community Development Department to determine if there are other provisions of the ordinance that require updating. Program 6.10 in Chapter 6 identifies this as a high priority action, to be completed by October 15, 2022.

Multi-Family Housing

In February 2021, the City amended its General Plan and zoning regulations to allow multi-family housing within the City limits. This was a key implementation measure in the Fifth Cycle Housing Element. New policies in the General Plan Land Use Element expressly support a range of housing types in the city, including multi-family housing. Chapter 17.19 of the Municipal Code creates the Rancho Del Mar Overlay (RDMO) Opportunity Overlay Zone, which has the following objectives:

- Create "by right" opportunities for multi-family housing
- Implement state laws that require cities to demonstrate available land capacity and zoning to accommodate the City's current and projected need for housing
- Facilitate well-designed development projects

- Encourage development that provides attractive features that integrate the public realm with development on adjacent private property.

The zone is mapped on the 31-acre Rancho Del Mar school site, which as noted in Chapter 4 and Appendix B, is the most viable location for multi-family housing in Rolling Hills. The zone allows 16 units of multi-family housing on the site (excluding potential density bonus units), with a requirement that this housing be constructed at a density of 20 to 24 units per acre. The 20 unit per acre minimum density requirement corresponds to the "default density" under AB 2348, while the 16-unit requirement is based on the number of units permitted by the underlying General Plan and RAS-2 zoning designations. It is also a threshold used by HCD to identify viable housing sites.

Affordable multi-family housing is permitted **by right** in this zone, provided it is affordable to low and very low-income households and meets objective design standards that are included in the zoning code. These include minimum dwelling unit sizes of 250 square feet for a studio, 400 square feet for a one-bedroom, 650 square feet for a two-bedroom, and 900 square feet for a three-bedroom. Higher minimums had been proposed initially but were lowered to the adopted standards based on direction from HCD that the above figures would not constrain development.

As noted above, the allowable density range for the Zone is 20-24 units per acre. Numerous projects—both market-rate and affordable—have been developed in this density range in Los Angeles County in recent years. The range can accommodate apartments, condominiums, townhomes, row houses, clustered units, manufactured homes, and small detached cottages. All of these housing types would be permitted under the regulations prescribed by the Overlay Zone.

Development standards for multi-family housing within the Overlay Zone are conducive to higher density construction. These standards require 5-foot front and side setbacks and a 10-foot rear setback. Encroachments such as decks, balconies, awnings, porches, and stairways may extend into the setback areas, and architectural features such as eaves and cornices are also permitted in the setbacks. There are no lot coverage standards or Floor Area Ratio limits. A 28' height applies, allowing two-story construction. This is the only place in Rolling Hills where two-story construction is permitted.

Development is subject to a requirement that 100 square feet of common open space be provided for each dwelling unit. Thus a 16-unit project would be required to set aside 1,600 square feet of shared open space, which is equivalent to about 5 percent of the development site (assuming a density of 20 units per acre). When drafting the Ordinance, the City initially proposed a common open space standard of 150 square feet per unit, but this was reduced to 100 square feet during HCD's review of the draft to eliminate the potential for a constraint.

One parking space per unit is required, plus one guest parking space for every 10 units. For senior housing, one space per unit is required for the first 10 units, and 0.5 spaces per unit are required for any additional units. The RDMO zone allows surface parking, with no requirements for garages or carports. At 180 square feet per parking space, the total area dedicated to parking in a 20 unit per acre project would be 3,240 square feet, or about nine percent of the site. Even with driveway lanes, the total area of the site required for parking would be small.

Moreover, the ordinance includes provisions for reduced parking where certain conditions exist (shared parking agreements with nearby uses, available street parking, etc.).

No parking is permitted in the 20' front setback area (at the driveway location). This would not be a constraint given the large size of any parcel that would be created in the future to accommodate multi-family development. Moreover, the front yard setback for structures is only five feet, which creates more space for the building envelope and encourages parking to be placed to the rear or side of the parcel, potentially within the setback.

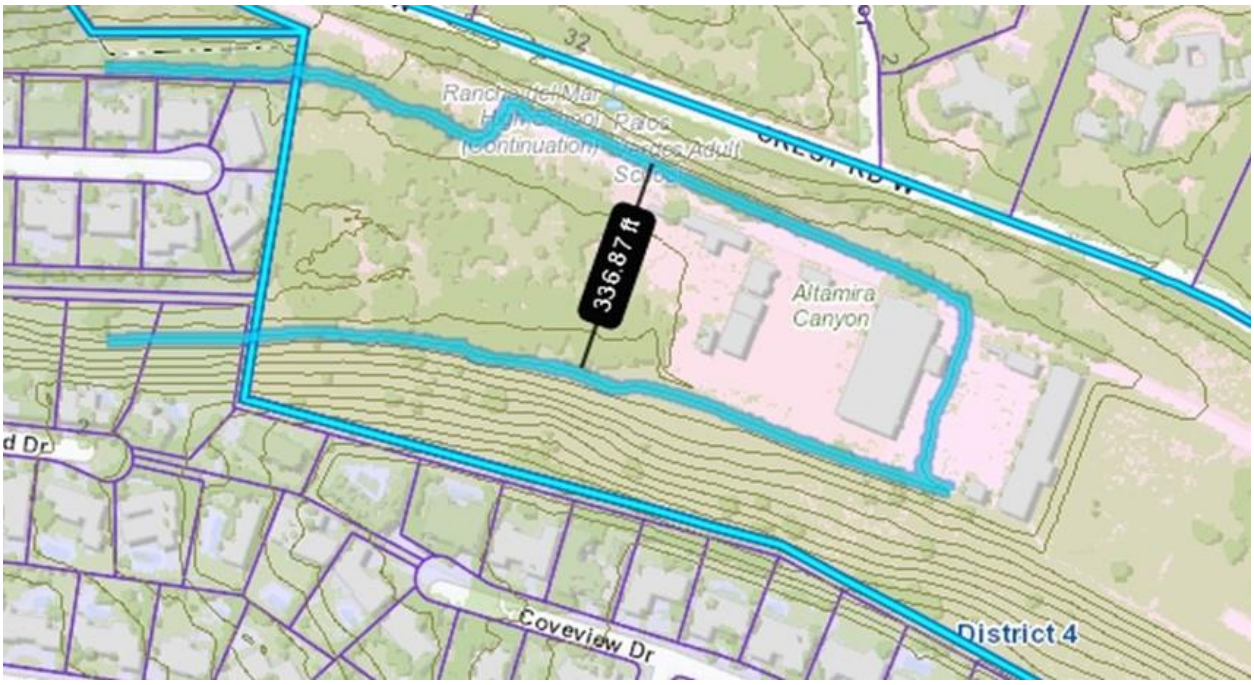


Figure 5.1: Slope Setbacks on PVUSD Site

The development standards require that multi-family housing be located at least 50 feet from the toe of the slope associated with a hillside area within the Overlay District. Figure 5.1 shows the sloped area and indicates that the linear distance between the toe of the slope and the access road serving the multi-family development site is 337 feet. Thus the area where structures are acceptable extends 287 linear feet back from the access road (minus a 5-foot front setback). While the rear 50 feet may not include structures, it could include open space and other amenities, including parking and driveways. The 50' setback does not affect parcel width (i.e., the east-west dimension), and still leaves room for a substantial development site on the property.

Because affordable multi-family housing is permitted by right in the Overlay Zone, the City has adopted objective design standards to ensure that new development is compatible with adjacent uses. These address residential frontages (facades, etc.), usable open space standards, public space amenity requirements, and operational standards. Such standards have the potential to create a development constraint if they are too onerous or add to the cost of housing.

The residential frontage standards require that the ground floor be no more than five feet above the ground surface. This is easily attained, since the site is relatively flat. The standards establish a 10' floor to floor height, which is consistent with the overall 28' height limit as well as typical residential construction standards and interior ceiling heights. Entrances and windows are required along the front façade, and entrances to individual units may either be direct to the exterior, or to an interior hallway. Stoops and porches may be located on the exterior, and projecting elements (bay windows, eaves, balconies) may extend into setback areas. Street tree, landscaping, and lighting requirements apply, but these do not constrain development.

The usable open space standards likewise do not represent a constraint. These requirements call for an amenity such as a children's playground or clubhouse in multi-family projects. The amenity may be indoors or outdoors and may not include parking areas, streets, or driveways. Projects are also expected to include amenities such as pedestrian walkways, landscaping, bike storage racks, and screened trash enclosures, and would need to comply with building code standards for interior noise. These are common requirements in California communities and do not represent a constraint.

Mobile and Manufactured Homes

As required by State law, the City Zoning Ordinance allows for manufactured housing units to reduce residential construction costs. Section 17.12.130 of the Rolling Hills Municipal Code defines manufactured homes and mobile homes as "single family dwellings"; as such, they are subject to the same standards as wood-frame construction.

Emergency Shelters

Every city in California is required to identify a zone where at least one year-round emergency shelter is permitted without a conditional use permit or other discretionary permit (Govt Code Section 65583(a)(4)(A)). The Government Code further requires that emergency shelters be subject to the same standards that apply to residential and commercial development in that zone, except that certain objective standards prescribed by the State may apply.

In February 2021, the City of Rolling Hills amended its zoning regulations to permit emergency shelters "by right" in the Rancho Del Mar Overlay (RDMO) Zone. Rolling Hills has adopted standards for shelters that meet the requirements of the Government Code and facilitate emergency shelter construction or conversion. The RDMO Zone encompasses over 31 acres of public property, most of which is underutilized. There are opportunities to create shelters by converting existing buildings, constructing new buildings, or using temporary facilities such as portables or tiny homes. This use is permitted by right, with no discretionary permit required by the City. There are no limitations on where shelters may locate within the boundary of the RDMO Zone. Since shelter beds do not constitute "dwelling units", an emergency shelter would not be considered part of the 16 dwelling units permitted by the Overlay Zone and would not affect the number of allowable multi-family units in the Zone.

The City submitted preliminary standards to HCD for review in December 2020 and subsequently revised those standards to ensure that they are compliant with the Government Code and do not present a constraint to emergency shelter development. The adopted standards include:

- ~~Shelters must be at least 300 feet apart, as allowed by the Government Code~~ Shelters may be 300 feet apart, consistent with Government Code 65583(a)(4)(A)(v)
- One parking space for each staff person must be provided. There are no supplemental parking requirements based on the number of beds. The requirements are consistent with Government Code 65583(a)(4)(V)(A)(ii) and are no greater than those that apply to other land uses and activities in the RDMO zoning district.
- A maximum of 12 beds applies. This is comparable to the maximums that apply in nearby cities, including those with unsheltered populations.
- 50 square feet of personal living space is required for each occupant, excluding common areas.
- The standards allow, *but do not require*, shelters to include a dining room, commercial kitchen, laundry room, recreation room, child care facilities, and support services (the Code indicates these may be provided, but they are not mandatory)
- At least five percent of the shelter area must be dedicated for on-site waiting and intake, and an equivalent (or larger) area is required for exterior waiting
- Shelters must comply with building code, plumbing code, and trash enclosure requirements—the same standards that apply to other uses in the Overlay Zone and in the underlying base RAS-2 Zone.

Consistent with the Government Code, an application to operate an emergency shelter requires submittal of a management and operations plan that addresses hours of operation, staffing levels, maximum length of stay, and security procedures. The application would require approval by the City Administrator, based on satisfaction of the conditions listed above and review for compliance with Building, Fire, and other applicable regulations.

The regulations do not constrain emergency shelter development and are compliant with Government Code requirements. As they were just put into effect in 2021, the City will monitor their effectiveness over the 2021-2029 planning period to determine if changes are needed.

Single Room Occupancy (SRO) Hotels

In February 2021, the City of Rolling Hills amended its zoning regulations to allow Single Room Occupancy (SRO) housing in the RDMO Zone. These are facilities with individual rooms or small efficiency apartments designed for very low-income persons. There are no limitations on where SROs may locate within the boundary of the RDMO Zone. A Conditional Use Permit is required.

In December 2020, the City submitted preliminary standards to HCD for review and subsequently revised those standards to ensure that they do not present a constraint to SRO development. The adopted standards include:

- A minimum of six units and a maximum of eight units
- Maximum occupancy of two persons per unit
- Floor area of 250-350 square feet per unit
- Each room must include a water closet (Toilet plus sink)
- Each room must include a kitchen sink with a disposal (but not necessarily a full kitchen)
- Each unit must have a closet

- Full kitchens (i.e., with range, refrigerator, dishwasher, etc.) and full bathrooms (with shower/bath) *may* be provided in each unit but are not required. If these facilities are not included in each unit, then shared facilities are required on each floor.
- 0.5 parking spaces are required per unit, plus one space for each employee on duty
- Occupancy is for 30 days or more

The City initially proposed including a requirement for 24-hour on-site management, and a requirement for elevators in the event the building was two stories. Both of these requirements were removed following HCD's feedback that they were potential constraints. Requiring 24-hour management requirement could be a constraint for a 6-8 unit facility. As a result, on-site management is not required on a 24-hour basis. Given that the building would only be two stories, the requirement for elevators was removed. Since SRO rooms would not be classified as independent "dwelling units", they would not be considered part of the 16 units permitted by the Overlay Zone and would not reduce the number of allowable multi-family units in the Zone.

Supportive, Transitional, and Employee Housing

Supportive housing is a type of rental housing that includes on-site services such as medical assistance or treatment of chronic health conditions or disabilities. Transitional housing is a type of supportive housing but is specifically intended for unsheltered residents who are transitioning to permanent housing. Supportive and transitional housing is not associated with a specific structure type—single family homes can be used in this manner, and so can multi-family buildings.

Government Code Section 65583(a)(5) requires cities to treat transitional and supportive housing as residential uses that are only subject to those restrictions that apply to other residential uses of the same type in the same zone. In other words, a City cannot hold a single family home used as supportive housing to a different standard for parking, setbacks, floor area, etc. than a single family home occupied by a family or other type of household.

Public Health and Safety Code Section 17021.5 requires the City to treat employee housing for six or fewer people the same as other single family housing in each zoning district. For example, if a corporation in another city purchased a home in Rolling Hills and allowed its employees to live there, the use would be treated like any other single family home.

Rolling Hills presently has no Code language that limits transitional, supportive, or employee housing or imposes any special restrictions on such housing. However, these housing types are not expressly acknowledged in the Municipal Code. The 2021-2029 Housing Element includes an action item to add definitions of transitional, supportive, and employee housing to the Municipal Code within six months of Housing Element adoption, acknowledging that such housing is permitted or conditionally permitted in the same manner as other residential dwellings of the same type in the same zone, as required by State law.

Housing Constraints for Persons with Disabilities

Government Code Sections 65583(a)(4) requires the Housing Element to include "an analysis of potential and actual governmental constraints upon the maintenance, improvement of development of housing…for persons with disabilities. AB 686 also requires the City to

affirmatively further fair housing, which includes housing that meets the needs of persons with disabilities.

In November 2020, the City Council approved reasonable accommodation procedures, including application requirements, review procedures, findings, and provisions for noticing and advertising the opportunity. These procedures establish a process through which persons with disabilities can request reasonable accommodations (or modifications) to the City's codes, rules, policies, practices or services so that they have an equal opportunity to enjoy or use a dwelling. The City has also adopted a resolution recognizing the Americans with Disabilities Act, including a commitment to assist disabled residents.

A request for reasonable accommodation may be made by any individual with a disability, his or her representative, or a developer or provider of housing for individuals with disabilities, when the application of a land use, zoning, or building regulation, policy, practice, or procedure acts as a barrier to fair housing opportunities. The City has posted notices at City Hall informing the public of its right to make such a request, including application forms for those making a request. Requests are generally made to the City Manager.

Once a completed application is received, the City Manager has 45 days to make a written determination. Additional information may be requested of the applicant in order to make an informed determination. An alternative solution to the one proposed by the applicant may be considered if it would reduce impacts and still achieve the intent of the request.

The request is granted, with or without conditions, if the City Manager finds that the housing will be occupied by an eligible individual, the requested accommodation is necessary to provide the individual with equal opportunity to use and enjoy a dwelling, the requested accommodation would not impose an undue financial or administrative burden on the City, or fundamentally alter the City's zoning or building laws or undermine the General Plan, and there are no other reasonable accommodation methods that would allow the applicant to enjoy the dwelling that would be less impactful on the surrounding area.

Conditions of approval may be replaced on the application. These may include periodic inspection to verify compliance, recordation of a deed restriction requiring removal of the improvements when it is no longer needed, time limits, measures to reduce off-site impacts, and measures that respond to the unique physical attributes of the property. Decisions may be appealed.

Rolling Hills has adopted the Los Angeles County Building Code. As long as construction is consistent with the Building Code, residents are permitted to provide any disabled access or amenity improvements necessary to reduce barriers. Access to homes via ramps is permitted. One-story construction throughout the community removes a major barrier for persons with disabilities and facilitates access for persons with mobility limitations. Accessibility improvements, universal design changes, and other accommodations for persons with disabilities are processed administratively in conjunction with the building permit process and are permitted in both of the City's residential zones.

No constraints to housing for persons with disabilities were identified in this analysis. As noted in Chapter 3, the city's large population of older adults requires ongoing efforts to facilitate retrofitting of existing homes for residents with physical limitations, and their caregivers.

Residential Care Facilities and Definition of "Family"

The Lanterman Developmental Disabilities Services Act requires that small licensed residential care facilities for six of fewer clients be treated as regular residential uses and permitted by right in all residential districts. Care facilities with seven or more clients (e.g., "large" residential care facilities) may be subject to additional requirements but must be treated the same as other residential uses in that zoning district. Cities that require conditional use permits for large residential care facilities are required to mitigate this constraint in their housing elements. ~~Rolling Hills complies with this requirement in practice and has no minimum distance (separation) or siting requirements for residential care facilities. However,~~

At this point in time, the Rolling Hills Zoning Code does not expressly mention or define ~~small~~ residential care facilities, nor does it distinguish between "large" and "small" facilities. ~~It~~ The Code should be amended to expressly indicate that this use is permitted by right in all zones where housing is allowed, and is subject to the same standards, fees, and procedures as other residential uses in those zones. This is required by State law. ~~.~~ As required by California Health and Safety Code Section 1566.2, the City does not collect business taxes, registration fees, or other fees for small residential care facilities.

The Rolling Hills Municipal Code includes a definition of "family" in its zoning regulations. Overly restrictive definitions may pose a housing constraint, but in this instance the definition is broad and inclusive. According to the Rolling Hills Municipal Code, "family" means:

> "one or more persons living as a single housekeeping unit, as distinguished from a group occupying a boarding, rooming or lodging house, hotel or club. Family may include domestic servants."

5.2.4 Cumulative Impacts of Land Use Controls

State law requires the City to consider not only the impact of individual development standards, but also the cumulative effects of these standards on the cost and supply of housing. For example, it is possible that a particular setback requirement may appear reasonable on its own but may limit development opportunities when combined with height and lot coverage limits. Sometimes, the combined effect of different development controls can require more expensive construction or result in frequent zoning variances.

Because of the very large lot sizes in Rolling Hills, the zoning standards do not create an adverse cumulative impact on development costs or the housing supply. As previously noted (pages 5-2 and 5-4), a special zoning overlay (OZD-1) was created in 2012 to recognize that some parts of the city have prevailing lot sizes that are smaller than the one-acre minimum required by the RAS-1 district. Roughly 10 percent of the City's parcels are covered by this zone, which allows reduced setbacks in order to avoid the need for zoning variances.

As noted earlier, the combination of front, rear, and side yard setbacks on a rectangular one-acre lot would still allow for a buildable area of over 16,000 square feet. Most parcels are considerably larger than one acre and have buildable areas that exceed 20,000 square feet. FAR and lot coverage limits likewise allow ample structure coverage, and homes larger than 10,000 square feet can be built without Variances on most lots. The one-story height limit tends to produce building footprints that are quite large—but still within the 20% structure coverage requirement. Each residence is required to have two covered parking spaces (three, if an ADU or guest quarters are on-site). This requirement is modest given the typically large home size and does not constrain building construction.

The land use controls also do not present a cumulative constraint to ADU construction. Almost every parcel in the City has the land area or existing built floor area to support an ADU, and many homes already have spaces that could be easily converted to ADUs. The ADU and JADU regulations adopted in 2018 and revised in 2020 were drafted to work in tandem with the controls for the RAS-1 and RAS-2 districts and have laid the foundation for substantial ADU production.

There are no cumulative land use constraints to multi-family development. The Rancho Del Mar Overlay (RDMO) Zone standards have been tested to ensure they are internally consistent and can support housing in the 20-24 unit/acre range. The RDMO Zone allows multi-family housing to be either owner or renter occupied. New housing units in this zone must be affordable. The affordability requirement is not a constraint to development, as the site is publicly owned and represents a unique opportunity for reduced land and construction costs. There are no comparable opportunities in the city, as this is the only property in Rolling Hills that is flat, vacant, served by public sewer, and walking distance from public transit.

One notable omission from the City's zoning regulations a provision for density bonuses. State law requires that the City offer a density bonus for projects that set aside various percentages of units for affordable housing, senior housing, and other types of special needs housing. The number of bonus units is based on a sliding scale and can be up to 50 percent above the base density permitted by zoning. For projects where all units are affordable to low and very low

income households, the density bonus rises to 80 percent. A density bonus could be requested for the Rancho Del Mar site, since the overlay requires that any multi-family housing is 100 percent affordable. This would allow 28 units on the site instead of the 16 allowed by the General Plan and zoning.

The Housing Element includes a program recommendation that the City amend the Municipal Code to adopt density bonus provisions or adopt the State provisions by reference.

5.2.5 Building Code Standards

The City of Rolling Hills adopted the Building Code for Los Angeles County in effect on January 1, 2020 as its Building Code. A number of local amendments to the Code were made. This includes an allowance for the City Council to hold a public hearing to review decisions of the County Board of Appeals, Code Enforcement Appeals Board, or Building Rehabilitation Appeals Board. Other local amendments include a modified definition of "basement" (to avoid the appearance of multi-story buildings), adjusted provisions for grading and cut slopes, limits on driveway slope, and limits on developing slopes over 50 percent. The City has also adopted the Los Angeles County Plumbing Code, Mechanical Code, Electrical Code, Residential Code, Fire Code, and Green Building Code.

Effective July 1, 2008, all land in the City of Rolling Hills was deemed to be a "Very High Fire Hazard Severity Zone" (VHFHSZ). As a result, several more restrictive fire safety standards have been adopted. The City also has adopted standards for hours of construction, and requirements for geological surveys and investigations.

5.2.6 Permit Processing Times and Approval Procedures

Processing and permit procedures can be a constraint to the production and improvement of housing due to the time they add the development process. Unclear permitting procedures, layered reviews, multiple discretionary review requirements, and costly conditions of approval can increase the cost of housing, create uncertainty in the development process, and increase the financial risk assumed by the developer.

In Rolling Hills, the time required to process a project varies depending on the size and complexity of the proposal, and the volume of projects being reviewed. Not every project must complete every possible step in the process. In addition, certain review and approval procedures may run concurrently.

For smaller projects, permit processing times tend to be faster than in most cities. Administrative review applications (i.e., those that do not require public hearings) typically take only a few days to process. However, the City's capacity is limited, requiring that some permit processing functions are contracted out. Even smaller projects that are approved ministerially typically require review by the Rolling Hills Community Association and the Los Angeles County Building and Safety Department, in its role as the contracted building authority of the City.

The City collects no fees for over the counter review—such fees are assessed when the project is submitted to the Department of Building and Safety. Administrative review processes have been created for residential additions less than 1,000 square feet, accessory dwelling units and

junior accessory dwelling units, remodels, foundation repair, and re-roofing. Such projects are required to submit two sets of plans, various checklists, and calculations of existing and proposed square footage, lot coverage, and impervious surface coverage. The City's website provides comprehensive information for applicants seeking permits, including on-line portals for applications, payment, and checking progress on permit status.

Larger projects such as new homes take longer, but they are less common. New homes in Rolling Hills are multi-million dollar projects that often require demolition, site preparation and grading, and new driveways before construction may begin. Larger projects may also require review by the LA County Health Department for the adequacy of the septic system, and the Fire Department for fuel modification.

Unless specifically exempted by State law, large projects such as new homes and residential additions of 1,000 square feet or larger are subject to Site Plan Review. An initial consultation with staff is strongly encouraged at the start of the process. Once an application is received, it is reviewed for completeness, including required calculations, elevations, and site plans. When the application is deemed complete, it is forwarded to the Planning Commission for a hearing, including a recommendation from staff. ~~The Planning Commission conducts an initial project review meeting, a field trip, and a meeting to forward the application to the City Council. Likewise, the Council conducts an initial meeting, a field trip, and a meeting to forward the plans to the Rolling Hills Community Association (RHCA).~~

The Site Plan review process typically takes three to six months from start to finish, including a field trip by Planning Commissioners to the project site at the start of the process. The process may be completed in a single hearing but on occasion may take two to three hearings so that issues raised by the Commission and public can be addressed. Additionally, project applicants may modify their site plans after approval and return to the Commission for approval of major revisions.

The Planning Commission has the authority to approve Site Plan Review applications. The decision of the Commission is considered final unless an appeal is filed with the City Council or the City Council decides to take the application under its jurisdiction. The decision becomes effective 30 days after the adoption of the resolution.

Approval of a Site Plan Review application requires findings related to compliance with the General Plan and adopted lot coverage standards, preservation of topography and vegetation, grading that follows natural contours or does not adversely modify natural drainage channels, the use of drought-tolerant landscaping, impacts to pedestrian movement, and compliance with CEQA.

The Planning Commission does not expressly perform design review as part of this process, as its findings are principally related to address public health, safety, and welfare. Design review occurs privately, through the Rolling Hills Community Association (RHCA). The RHCA has an Architectural Committee that reviews plans for new homes and large additions to ensure that easements are kept free and clear of structures, including fences and other obstructions.[5]

[5] *School District and City-owned property is exempt from this requirement. Thus, any development in the RDMO Housing Opportunity Zone would not be subject to RHCA review.*

Projects are submitted to LA County Building and Safety following RHCA review. RHCA maintains its own design guidelines, covering such topics as roofs, walls, windows, doors, and lighting. Because RCHA is a non-governmental agency, these guidelines are described later in this report under non-governmental constraints (see discussion of CC&Rs on page 5-22).

Projects that require Variances to development standards or Conditional Use Permits (CUPs) also require Planning Commission hearings. CUPs are required for large horse stables and corrals, detached garages, tennis courts, and a number of other large-footprint site features. From start to finish, the process from submittal of plans to approval of permits may take six months or longer for a brand new home. Applications for ADUs, major remodels, residential additions, and accessory structures are more common, and are processed more rapidly. ADUs, JADUs, and other ministerially approved projects take approximately two to four weeks to process.

The City regularly seeks ways to expedite processing and improve the timeliness of its services. At the present time, permitting and processing time is not considered a constraint and the City complies with the time limit requirements established by Sections 65943 and 65950 of the Government Code. The Site Plan Review requirements and other permitting requirements are not a constraint to the development of multi-family or affordable housing as they would not apply to projects on the Rancho Del Mar site nor would they apply to ADUs that meet the City's adopted standards. As such, they have no impact on the cost, supply, timing, or approval certainty of these projects. For new single family homes, the review requirements result in processing times that may take several months. However, they do not affect the supply approval certainty. In a review of applications over the past eight years, only one application was denied (requesting a height modification to approved addition in 2017) and another application had a partial denial (for stairs and walls, in 2014).

5.2.7 Site Improvement Requirements

The principal site improvements required upon development of a vacant property are the undergrounding of electrical lines to the structure, installation of a septic system, and conformance to the City's outdoor lighting standards. Road and emergency access (fire safety) improvements may be required for properties that do not have street frontage or have other access constraints. New development in Rolling Hills consists almost entirely of custom homes on existing vacant or previously developed lots, rather than subdivision of "raw land," which tends to reduce overall improvement requirements. At the Rancho Del Mar affordable housing site, installation of curb and gutter improvements would be required prior to development, but the site already has road access, storm drainage, and water and sewer facilities in place. There would be no special or unique site improvement requirements imposed on development of this site.

Projects requiring the subdivision of land would be subject to the standards set forth by the City's subdivision regulations, which are specified in Title 16 of the Municipal Code. These standards establish a 24-foot road width for streets. A 32-foot turning radius is required on dead-end streets, and grades may not exceed six percent. The standards recognize that all streets in Rolling Hills are private. The City Council has the discretion to require additional site improvements adjacent to sites where land is being subdivided, including widening existing roads to meet neighborhood traffic and drainage needs. The subdivider may also be required to

provide drainage improvements, in accordance with standards set by the City Engineer and with the city's MS4 permit (see P 5-26). The subdivision ordinance further specifies that water mains and fire hydrants may be required when new lots are created, and that easements for gas and electric services may be required.

The cost of installing a new septic system is generally not a constraint for brand new homes but can be an impediment for ADUs and smaller additions, particularly for homeowners with limited incomes. At minimum, the County Health Department requires a feasibility study for any project that could result in septic tank capacity being exceeded. Older homes may face costly septic installation requirements that could render a home addition or ADU infeasible. Programs to assist lower income or senior homeowners with septic tank replacement could be considered, particularly where an ADU is being added.

5.2.8 Development and Permitting Fees

Fees are charged by the City and other agencies to cover the costs of processing permits and providing services and facilities, such as utilities, schools, and infrastructure. Most of these fees are assessed through a pro rata system based on the square footage or value of the project, the staff time required for processing, and the magnitude of the project's impact. If fees become excessive, they can become a constraint on development and make it more difficult to build housing affordably. They can also place a burden on lower income homeowners seeking to modify their homes or add an Accessory Dwelling Unit.

A summary of residential development fees charged by the City of Rolling Hills is presented in Table 5.2. Most projects do not require payment of these fees, as they would not typically require use permits, Variances, Zoning changes, General Plan amendments, CEQA review, lot line adjustments, and so on. However, Site Plan Review is commonly required for all new homes and major additions, and ADU permits are required for larger ADUs. For projects complying with City standards and requirements, the fees are not a development constraint.

Table 5.2: City of Rolling Hills Major Development Fees[1]

Fee Type	Fee Amount	Notes
Site Plan Review	$1,500	
Conditional Use Permit	$1,500	
Variance	$1,250	
Minor Variance	$750	Encroachments from main structure that do not extend more than 5' into required setbacks
Zoning Change or Code Amendment	$2,000	
General Plan Amendment	$2,000	
Accessory Dwelling Unit application	$375	
Major Remodel Review	$375	

View Impairment Review	$2,000	Processing fee for Committee review of impacts on trees and views
Water Efficient Landscape Review	$1,500	Unused balance refunded
Traffic Commission Review	$300	Required for new driveways
Lot Line Adjustment	$1,500	Plus County fee
Tentative Parcel Map	$1,500	Plus County fee
Final Parcel Map	--	County fee only
Environmental Review Determination	$200	Plus Fish and Game Fee
Environmental Impact Reports	Consultant fee plus 10%	Only required as needed
Appeal Fee	2/3 of original application fee	Only required as needed

Source: City of Rolling Hills, 2021. Barry Miller Consulting, 2021
[1] This is not a comprehensive list of all fees but covers the major development-related categories in the City's fee schedule. The fee schedule also covers records searches, inspections, and review of grading plans.

Rolling Hills is one of 13 cities that contracts with the Los Angeles County Department of Building and Safety (LACDBS) for plan checking, building permits, and building inspection. The County issues building, plumbing, mechanical, and electrical permits on the City's behalf. The cost schedules for the incorporated cities served by LACDBS are higher than the schedules for the unincorporated area but are comparable to nearby cities with full-service building departments. A residential project with an assessed valuation of $100,000 would be subject to a plan check fee of $3,413 and a permit fee of $4,029. This includes required energy and disabled access checking costs. As the value of a project increases, the fees decline as a percentage of total project costs. They represent 7 percent of a $100,000 project but less than 5 percent of a $500,000 project.

The fee schedules for other permits varies by type. Electrical permits are subject to a base fee of $74.70, plus a cost per square foot ($0.20/SF for multi-family and $0.50/SF for single family and duplexes). Separate fees are collected for swimming pools, branch circuits, lighting fixtures, appliances, and electrical plan checking. Mechanical permits are collected for HVAC systems, compression units, boilers, refrigeration systems, etc. Plumbing permits are based on the number of fixtures and also cover projects requiring connection to septic tanks and work such as solar water heaters, sprinkler systems, and backflow protection devices. Relative to the other 12 cities that contract with Los Angeles County, the fee schedule in Rolling Hills is slightly higher. However, the fees are lower in Rolling Hills than in nearby Rolling Hills Estates.

The County also collects fees for projects requiring geotechnical review. This would apply to most new housing units in Rolling Hills. The fee ranges from $2,752 to $17,746, with the actual amount based on 0.50% of the value of the proposed structure. Additional fees are charged for geotechnical site inspections and geotechnical review of grading plans.

Los Angeles County typically updates its fees annually based on the consumer price index and other factors. The increase in 2021 was 2.2 percent for all cities served by the County. Rolling Hills updates its fee schedule less frequently, although fees are considered as part of the annual budgeting process. Some of the City's fees—such as the fees for parcel maps and lot line adjustments—have not been updated in many years.

There are no local surcharges or special fees associated with multi-family housing. On a per unit basis, permitting costs would be substantially lower for multi-family units than for new single family units. This is due to the smaller size of multi-family units and to multi-family housing being permitted "by right" within the Rancho Del Mar Overlay Zone, with no applicable administrative fees. The City's fee structure has not historically distinguished between single and multi-family construction, as multi-family housing only recently became a permitted use.

A number of other fees apply in Rolling Hills; these are typically associated with new residences and are intended to offset the additional cost of providing services. These include:

- A Park and Recreation Fund Fee, which is equivalent to 2% of the first $100,000 in building evaluation, plus an additional 0.5% of the remaining balance. The fee for a $1 million construction project would be $6,000. This fee is only charged for new primary homes---ADUs are exempt.
- A School Impact Fee, which is paid to the Palos Verdes Unified School District. In 2020, the fee was $3.79 per square foot for new residential construction.
- A fee collected by the Rolling Hills Community Association (RHCA), equivalent to $0.20 per $100 of assessed valuation (i.e., $2,000 for a project with a construction value of $1,000,000)
- Additional architectural review fees collected by the RHCA, including a $165 flat fee plus $1 per square foot for new construction, additions and major remodels. In addition, RHCA collects fees ranging from $25 to $500 for individual features such as swimming pools, tennis courts, gazebos, and new roofs.

There are no sewer connection fees in the city, since there are no sewers. There is no water connection fee; water service charges are determined by the size of the meter and the number of fixtures, plus the amount of water used. The City likewise has no impact fees for housing, transportation, public art, or other services. Projects in the RDMO Zone would be exempt from the RHCA fee, since they are outside the HOA boundary.

In total, fees for a typical new home are roughly equivalent to 7-8 percent of total construction costs. This is comparable to other cities on the Palos Verdes Peninsula, though somewhat higher than in other urbanized parts of Los Angeles County. The higher fees are associated in part with the terrain and hazards in Rolling Hills and the size and complexity of applications for new homes, many of which require extensive grading and multiple inspections. Fees do not constrain development in Rolling Hills, but they do add to the cost of housing, which is already expensive in the City. Programs to reduce processing and permitting fees for ADUs could be considered, as they could incentivize ADU production.

5.2.9 Other Local Ordinances and Disclosure Requirements

No other local ordinances were identified that could present potential constraints to housing needs. The City does not have an inclusionary zoning requirement, growth control ordinance or limits on the number of units that may be constructed in a given year, or other locally-imposed requirement impacting the cost of residential development. The City prohibits the rental of rooms and houses for periods of less than 30 days, effectively disallowing short-term rentals. This supports the City's goal of using Accessory Dwelling Units as rental housing, rather than for transient occupancy.

The City also complies with AB 1483 (2019), which requires that agencies publish specific information on their websites starting January 1, 2021. This information includes:

- All current fees and exactions applicable to housing
- All zoning ordinances, design and development standards
- Current and five previous annual financial reports
- An archive of nexus studies for impact fees conducted after January 1, 2018

The City of Rolling Hills maintains a Planning and Community Services landing page on its website that contains all of this information. This landing page includes a link to all planning and development fees, the Zoning Map, the Municipal Code (which includes the zoning ordinance and all applicable development standards), the General Plan, the Local Hazard Mitigation Plan, Landscape Design Standards, the Water Efficient Landscape Ordinance, Planning and Development forms and application materials, the Planning Commission calendar, technical information for developers (related to stormwater management), permitting requirements, guidelines for equestrian facilities, information on solar panels and rainwater harvesting, and guidance on septic system installation. The City is also updating its environmental programs page. An action program in the Housing Element calls for this information to be reorganized and updated, with new information added on Accessory Dwelling Units and links to the RHCA Design Guidelines.

Every annual budget and audited financial report for the City since 2010 is available on the City's website. There have been no nexus studies for impact fees since 2018, but such studies would be posted if conducted in the future.

Disclosure requirements related to SB 35 also apply to Rolling Hills. In 2018, California adopted SB 35, which establishes streamlining provisions for multi-family projects meeting certain criteria related to affordability and payment of prevailing wages to construction workers. As of 2021, projects in Rolling Hills in which 10% of more of the units are affordable are eligible for SB 35. Article III Section 300 (b) of HCD's Guidelines for SB 35 requires that cities in this situation must provide "information, in a manner readily accessible to the general public, about the locality's process for applying and receiving ministerial approval, materials required for an application as defined in Section 102(b), and relevant objective standards to be used to evaluate the application." An action program in this Housing Element recommends creating an SB 35 information sheet and application and including it on the Planning and Community Services Website.

5.3 Non-Governmental Constraints

Non-governmental constraints significantly affect the affordability of housing in Rolling Hills. Specifically, the high cost of real estate in the city, its heritage as a rural, gated equestrian community, and its limited infrastructure and severe environmental constraints, make it extremely challenging to build traditional affordable housing units. The city is one of the most expensive and highly constrained communities in California. To be economically viable, affordable housing must be tailored to community context—for example, through accessory dwelling units.

5.3.1 Land Costs

Land in Rolling Hills is expensive. The city features dramatic topography, with sweeping views of the Pacific Ocean and Los Angeles basin. Property in the city is marketed as a location for prestigious estates. The supply of acre-plus homesites on the Palos Verdes Peninsula is limited, making demand for such properties very strong. A scan of Zillow.com in Fall 2021 shows two vacant lots for sale in the city—one for $7.5 million and another with geologic constraints for $1 million. Data on recent sales shows a vacant single family parcel that sold for $6.85 million in November 2020 and another that sold for $1.84 million in 2019. These properties have been marketed and sold as sites for large single family homes.

The economic viability of affordable housing on these sites is further challenged by the cost of the site improvements that would be required to facilitate safe development. The vacant parcels described above lack public sewer; are accessed by narrow, winding, private roads traversing an area with very high wildfire severity; and have slopes that exceed 50 percent in some cases. The cost of road widening, grading and earth movement, and installation of community-wide sewer and storm drainage construction make most types of multi-family housing economically infeasible. There is no public revenue source to make these improvements. The absence of commercial land uses in the city limits the City's ability to sponsor programs that would reduce or underwrite land or site improvement costs.

5.3.2 Construction Costs

The cost of construction, including labor and materials, is a significant constraint to housing development in Rolling Hills. While high costs have impacted the entire state, Rolling Hills is particularly impacted by the high cost of mitigating environmental constraints, including fire and geologic hazards. New home construction requires grading and earth movement, often with costly retaining walls and engineered drainage systems. Many homes in the city feature high-end finishes, as well as amenities that result in higher costs. The city is also vulnerable to elevated or inflated costs that reflect its reputation as a high-end, high-income market.

In 2014, the Rolling Hills Housing Element estimated that construction costs were approximately $330 to $500 per square foot. Based on recent projects in the city, costs have doubled since then. The National Association of Homebuilders estimated that costs increased 26 percent between June 2020 and June 2021 alone. There have been rapid increases in the price of lumber, copper, steel, aluminum, concrete, and other building materials, resulting in some

projects being placed on hold and others being cancelled altogether. Construction costs for home additions now regularly exceed $800 per square foot.

Construction of septic tanks represents a unique expense in Rolling Hills that is not common in surrounding cities. Anecdotally, homeowners in the city report costs of well over $25,000 to install new septic systems, which in some cases can be an impediment to adding an accessory dwelling unit or expanding an older home.

5.3.3 Financing

Financing is not a constraint to housing development in Rolling Hills, but the high cost of housing makes it infeasible for most households to buy a home in the community. Home mortgage interest rates were ~~remain relatively~~ low at the time the Housing Element was drafted, with rates at around 3.0 percent for a 30-year mortgage in Fall 2021. Income and down payment requirements have become more stringent than they were following the mortgage crisis of a decade ago, and there are fewer flexible loan programs to bridge the gap between the amount of a required down payment and a potential homeowner's available funds.

Given the very high cost of housing in Rolling Hills, significant capital is required to purchase a home. A 20 percent down-payment on the median priced home in the City would be nearly $750,000, with monthly mortgage payments of nearly $19,000. A very high income would be required to qualify. First time buyers face particular challenges in the city, given the lack of equity from prior home ownership.

5.3.4 Delays Between Approval and Construction

Given the high cost of construction and rising interest rates, there may be delays between the time a project is entitled and when it is actually constructed. Applicants may postpone their projects due to high material costs, supply shortages and shipping delays, and a lack of skilled construction workers and contractors. Rising interest rates can also add to the cost of a project, leading to postponement. The economic uncertainty and upheaval of the COVID-19 pandemic has also caused some projects to stall over the last two years. In some cases, projects may be cancelled altogether, or the property may be sold to a new owner who may modify or abandon previously approved plans.

These factors are out of the City's control but can have a real impact on housing supply and construction. The City is particularly interested in the completion of permitted ADUs, as these units are critical to achieving affordable housing goals. As noted in Chapter 6, Rolling Hills intends to establish a monitoring program for permitted ADUs to facilitate their construction. This would include reaching out to those who receive ADU permits and monitoring construction progress on those units. The monitoring program includes follow-up conversations with any applicants who do not complete their projects to understand the factors leading to that decision, and any steps the City can take to improve completion rates.

5.3.45 Conditions, Covenants, and Restrictions (CC&Rs)

Development in Rolling Hills is controlled through both municipal zoning and privately enforced CC&Rs. The CC&Rs are considered a non-governmental constraint because they are enforced by the Rolling Hills Community Association (RHCA), a private entity. The CC&Rs were established by the Palos Verdes Corporation in 1936 upon the initial development of the community. They apply to all property in the city except the City Hall Campus, Tennis Court Facilities, PVP Unified School District site (Rancho Del Mar), and Daughters of Mary and Joseph Retreat Center. The RHCA does not have design review or building permit review authority on these sites.

Elsewhere in Rolling Hills, the CC&Rs restrict the development and use of property to single family homes and limited public uses. They do not allow multi-family housing, commercial, office or industrial activity. One of the stated purposes of the CC&Rs is to preserve and maintain the rural character of the community, including regulating the architectural design of structures. The CC&Rs authorize the RHCA Board to appoint and maintain a five-member Architectural Review Committee to carry out this objective. The Committee is comprised of three Association members and two licensed architects.

The RHCA Board has adopted a Building Regulations manual that is used by homeowners and their architects/ contractors, and by the Committee to evaluate projects. Committee review is required for all new residences and accessory structures, and for all projects that modify the exterior of existing structures. Committee meetings occur twice monthly, on the first and third Tuesdays. The meetings are not considered "public hearings" since RHCA is not a public agency, but they are open to all members of the Association and are subject to Association bylaws.

RHCA's Building Regulations require that all homes under RHCA's jurisdiction be one-story, ranch-style construction. The Regulations identify three permissible style types: traditional ranch, contemporary ranch, and early California Rancho. Specific standards are provided for each style, including allowable exterior siding materials, roof materials (and colors), roof pitch, building height (25 feet), and floor to ceiling plate heights (8'6" maximum in at least 50 percent of the structure). Regardless of style, all buildings must be painted white, conform to the natural grade, and have consistently designed doors and windows. A minimum floor area of 1,300 square feet, plus a two-car garage, is required for all residences.

The regulations align with the City of Rolling Hills zoning regulations—in fact, the CC&Rs expressly state that the Architectural Committee must comply with applicable provisions of the Rolling Hills Municipal Code. This includes allowing Accessory Dwelling Units (ADU), which are not mentioned in the Association's Building Regulations. Under AB 670 and AB 68 (effective January 2020), CC&Rs may not be used to deny ADU applications, and prohibitions on ADUs by homeowner associations are not enforceable.

State law does allow homeowner associations to review the design of ADUs, provided their process is fair, reasonable, and expeditious. This has been occurring in Rolling Hills for the last three years with no adverse effects on ADU construction.

As noted earlier in this chapter, the City has developed a ministerial process for ADU approval as required by state law. Projects meeting the dimensional requirements in the Municipal Code (which are consistent with State standards) are approved without a public hearing or discretionary review by the City. If an ADU does not affect the exterior of a home (for instance, a Junior ADU entirely within the footprint of an existing home, or the conversion of a detached guest house to an ADU), then no RHCA review is required. The Architectural Committee does review ADUs that modify the exterior, add square footage to a structure, or result in a new accessory structure. The purpose of this review is to verify that the structure meets the objective design requirements in the RHCA Building Regulations rather than to evaluate the merits of the project or its off-site impacts. According to the Committee's own guidelines, it "will not require modifications to working drawings that materially change the massing of the project."

City staff has worked closely with RHCA staff to ensure that their design review process is coordinated with City permitting, streamlined, and does not impose unreasonable restrictions on applicants. The RHCA office is adjacent to City Hall and there is ongoing coordination between the two entities. When an application for an ADU is submitted to the City, the City advises the applicant to proceed to RHCA immediately afterwards to initiate project review. Projects are typically forwarded to the RHCA Architectural Committee within two weeks and are typically approved at the initial meeting; if modifications are required, the plans are typically approved at the second meeting two weeks later. The review occurs concurrently with the City permitting process, avoiding potential delays.

In practice, every ADU application approved by City staff has subsequently been approved by the RHCA Architectural Committee. Nonetheless, an action program in this Element recommends that the City work with RHCA to update the 2017 Building Guidelines to acknowledge ADUs and provide guidance for homeowners seeking to add an ADU.

5.3.~~5~~6 Infrastructure

Another factor adding to the cost of new construction is the limited availability of infrastructure, specifically streets, sewer, storm water and water facilities.

Streets

Rolling Hills has no public roads or streets. Since the 1930s, the community's internal street network has been designed to establish a rural, equestrian character. This historic aspect of the city's infrastructure is one of Rolling Hills' defining features. The road network is typified by winding roads with a 15- to 25-foot paved cross-section and no curbs, gutters, sidewalks, or streetlights. Narrow road width, coupled with steep grades and very low densities, effectively precludes public transit within the city. Access is also gate-controlled at three entry points.

The city's circulation infrastructure is not conducive to uses generating high trip volumes, such as higher-density housing. Given the entire city's designation as a very high wildfire hazard severity area, the capacity to evacuate the population is also a limiting factor. Most streets in the community are "dead ends" without emergency vehicle access alternatives in the event that ingress and egress is blocked.

A number of properties—including City Hall, the Retreat Center, and the PVUSD site, are accessed from roads outside the City gates. These parcels are less constrained by street access but could require ingress and egress improvements (resurfacing, driveways, etc.) in the event a change of use was proposed. Such improvements are typical for any development and would not adversely affect expected construction costs.

Wastewater Disposal

With the exception of the school site and thirteen residences that have individually or collectively (through the creation of a small sewer district) connected to an adjacent jurisdiction's sewer systems, there is no sanitary sewer system in Rolling Hills. Residences are served by individual septic tanks and seepage pits. These systems are designed to serve single family residences and are not conducive to multi-family housing. This is particularly true given the geologic, slope, and soil constraints in Rolling Hills. To meet water quality and runoff requirements, high-density housing typically requires a viable sewer connection.

Over the past 35 years, the City has conducted multiple sewer system feasibility studies. In 2019, the City received approval from the Los Angeles County Public Works and Sanitation District to discharge effluent from up to 235 existing homes in Rolling Hills. The City is in the process of completing design drawings for Phase One, which is a 1,585-foot long 8-inch diameter sewer line along Rolling Hills Road/Portuguese Bend Road. This will provide service to City Hall, the RHCA offices, and the Tennis Courts. Future phases of the project could provide service to residences but would require significant grant funding and potentially special assessments.

In 2021, the City surveyed all households to determine the level of support for developing a sewer system. Roughly 16 percent of the City's households participated. The survey found that about three-quarters of the residents' septic tanks were more than 20 years old. More than 80 percent supported construction of a sewer system, though many responses were contingent on the cost. Past engineering studies have concluded that the terrain and unstable geological conditions in the city make a conventional gravity sewer system infeasible in the city, meaning the cost to property owners could be significant.

The Palos Verdes Unified School District site is an exception. It is connected to a wastewater treatment line that was installed when the school was initially constructed. Collection lines were sized to accommodate a school campus with several hundred students, and associated maintenance facilities—a higher level of demand than is associated with current uses on the site. Given the availability of sewer service to this site and the high cost of extending sewer services elsewhere, it is the most suitable property for multi-family housing in the City.

In some instances, septic systems may present a constraint to ADU development. This is generally not an issue for JADUs or smaller ADUs that repurpose existing habitable space, but a new detached ADU that adds floor space may require increasing the capacity of a septic system. As noted earlier in this chapter, a program in this Housing Element proposes further evaluation of this constraint, and possible ways to assist homeowners in addressing it.

Storm Water Run-off

As a rural community without public streets, Rolling Hills does not have a municipal storm sewer system or continuous network of storm drains. Drainage follows topography, with stormwater flowing into steep ravines through the community. Water percolates into the ground along canyon bottoms, with runoff flowing to the ocean, or to larger streams and detention basins downstream, depending on location.

To comply with federal National Pollutant Discharge Elimination System (NPDES) requirements and maintain its Municipal Separate Storm Sewer System (MS4) permit, the City is required to screen and monitor its runoff to avoid compromising downstream water quality standards. It also required to implement a number of programs, such as an Illicit Discharge Elimination Program. The City also requires Best Management Practices (BMP) for construction in order to avoid erosion, pollution, sedimentation, and runoff that would degrade water quality. These requirements are not a development constraint but may add to the cost of construction. Moreover, the lack of a municipal storm drainage system represents another constraint to higher density housing in most of the city.

The Rancho Del Mar site is outside the area covered by the MS4 monitoring program and drains west toward Rancho Palos Verdes. Unlike the rest of Rolling Hills, it is served by an improved storm drainage system. A 2017 facility evaluation reported the storm drains and inlets on the site as being in good condition.

Water

Water infrastructure in Rolling Hills is owned, maintained, and operated by California Water Service (CalWater). The city is within CalWater's Palos Verdes District, which also serves the other cities on the Palos Verdes Peninsula. Facility planning is governed by an Urban Water Management Plan (UWMP), which evaluates anticipated demand and the water resources available to meet that demand.

Projections of future water use are based in part on expected population growth, which is derived from SCAG forecasts and local general plans. Water demand is projected to increase by 6 percent by 2045, reflecting very slow population and housing growth in the Peninsula cities. Development beyond that anticipated by SCAG forecasts could reduce water pressure, compromise firefighting capabilities, and curtail domestic water availability. This is a problem throughout California, made worse by persistent drought conditions. The UWMP provides water shortage contingency plans, including measures to reduce demand and procure emergency supplies.

Water storage facilities and pipelines in Rolling Hills are generally adequate to meet local needs. However, many of the city's water facilities are aging and the system as a whole is vulnerable to damage during earthquakes and landslides. Storage and distribution facilities reflect the rural density of the city and are not sized to accommodate significant growth. The Palos Verdes Unified School District site provides a unique opportunity in this regard, as its water system was designed for a public school campus with several hundred students.

The introduction of ADUs in Rolling Hills could potentially impact water demand in the City. The California Water Company has no plans to upgrade the aging water system. As ADUs are created, it will be important to consider potential impacts on water distribution lines and fire fighting capacity. Several factors work to mitigate the impacts of ADUs on the water system. First, the population of Rolling Hills has declined by roughly 300 since 1980. Thus, the addition of 40 or so ADUs over eight years may not increase the total number of residents in the City. Second, water conservation measures have been implemented—and continue to be implemented—to reduce water flows and water demand. These measures include water-efficient landscaping requirements, as well as requirements for more efficient plumbing fixtures.

Dry Utilities

Rolling Hills residences are also served by dry utilities. Electric services are generally provided by Southern California Edison while natural gas is provided by Southern California Gas Company. A range of private vendors provide phone, internet, and cable services. Capacity is available to serve new development, and all of the vacant and underutilized sites identified in Chapter 4 would have access to these services if they were developed. The Rancho Del Mar site currently has access to these services as it is a former school.

5.3.76 Environmental Constraints

Rolling Hills has severe environmental constraints to development. Slopes exceeding 25 percent are present on almost every remaining undeveloped parcel in the city. Geotechnical studies are required when new homes are constructed, and mitigation is often required to reduce the potential for future damage. The City's Site Plan Review Process and grading requirements are intended to strictly limit recontouring of existing terrain. Most grading occurs through "cut and fill" procedures that retain materials on site. This adds to local housing costs and limits the viability of multi-family housing on most properties in the city.

Landslide Hazards

Figure 5.2 shows landslide zones in Rolling Hills, as mapped by the California Geological Survey (CGS). Large portions of the city are considered hazardous and major slides have occurred in the past. This includes the Flying Triangle Landslide, which has impacted roads, homes, and properties in the southern part of the city for the last 50 years. These areas are poorly suited for development and are susceptible to slope failure. Human modifications to slopes (through development) can exacerbate the problem and the risk.

Building at the head of a landslide can decrease the bedrock strength along an existing or potential rupture surface and "drive" the landslide down slope. Improper grading practices can also trigger existing landslides. Because of these geologic hazards, the City limits land disturbance and other actions that would exacerbate soil instability. Ground instability would contribute to potential risks to human life as well as to physical structures. The Safety Element of the General Plan sets forth policies to restrict new development and expansion of existing development in areas susceptible to landslides.

Earthquake Hazards

Like most of Southern California, Rolling Hills is vulnerable to earthquakes. Large earthquakes can cause building damage and collapse, as well as damage to roads and utilities. The City of Rolling Hills is crossed by the Cabrillo Fault, which is part of the Palos Verdes Fault Zone. It is also vulnerable to earthquakes on the Whittier Fault, the Newport-Inglewood Fault, the Malibu Fault, the Santa Monica Fault, the Redondo Canyon Fault. The location of these faults is shown on Figure 5.3.

The Whittier and Newport-Inglewood Faults are considered capable of generating earthquakes with magnitudes greater than 7.0 and have the potential to cause catastrophic damage. In the event of a major earthquake on either fault, the city of Rolling Hills would be vulnerable to ground shaking. Secondary hazards include liquefaction, earthquake-induced landslides and differential settlement. Fault rupture is not a significant hazard in the city, and there are no Alquist Priolo "special studies" zones within the city limits.

Wildfire

As shown on Figure 5.4, the entire city of Rolling Hills has been designated a "Very High Wildfire Hazard Severity Zone" by CalFire. The city's terrain creates challenges for vegetation management and presents conditions where a fire can travel quickly up and down canyon slopes. Despite defensible space requirements, the city's rural nature and equestrian heritage means that extensive areas are covered by dense scrub and brush. The Palos Verdes Peninsula has a history of destructive wildfire, including fires that destroyed homes in 1973, 1993, 2009, and 2018.

The City has taken measures to reduce fire hazards, including preparing a Community Wildfire Protection Plan in 2020. The Plan outlines measures to harden infrastructure, improve vegetation management, underground electric power lines, and improve inspections and enforcement. It also includes provisions for evacuation. Additionally, the City (and Los Angeles County) require special building safety measures, including standards for roofing, eaves, exterior finishes, and buffer zones that respond to the higher fire hazard levels.

Despite these measures, the risks of wildfire cannot be eliminated entirely. Moreover, the city continues to face evacuation constraints resulting from its narrow roads, limited ingress and egress points, and the presence of livestock on many properties.

Biological Resources

Rolling Hills supports a variety of plant and wildlife species, including some that are listed or under consideration for listing by the U.S. Department of Fish and Wildlife and/or the California Department of Fish and Wildlife. These species include the Palos Verdes Blue butterfly, the California Gnatcatcher, the Pacific Pocket Mouse, the San Diego Horned Lizard, and Brackishwater snail. Development that could adversely impact the habitat of these species must undergo review and approval by the overseeing federal and state agencies. Typical mitigation measures include preservation of habitat, further restricting the potential land available for development. This constraint is likely to continue throughout the planning period.

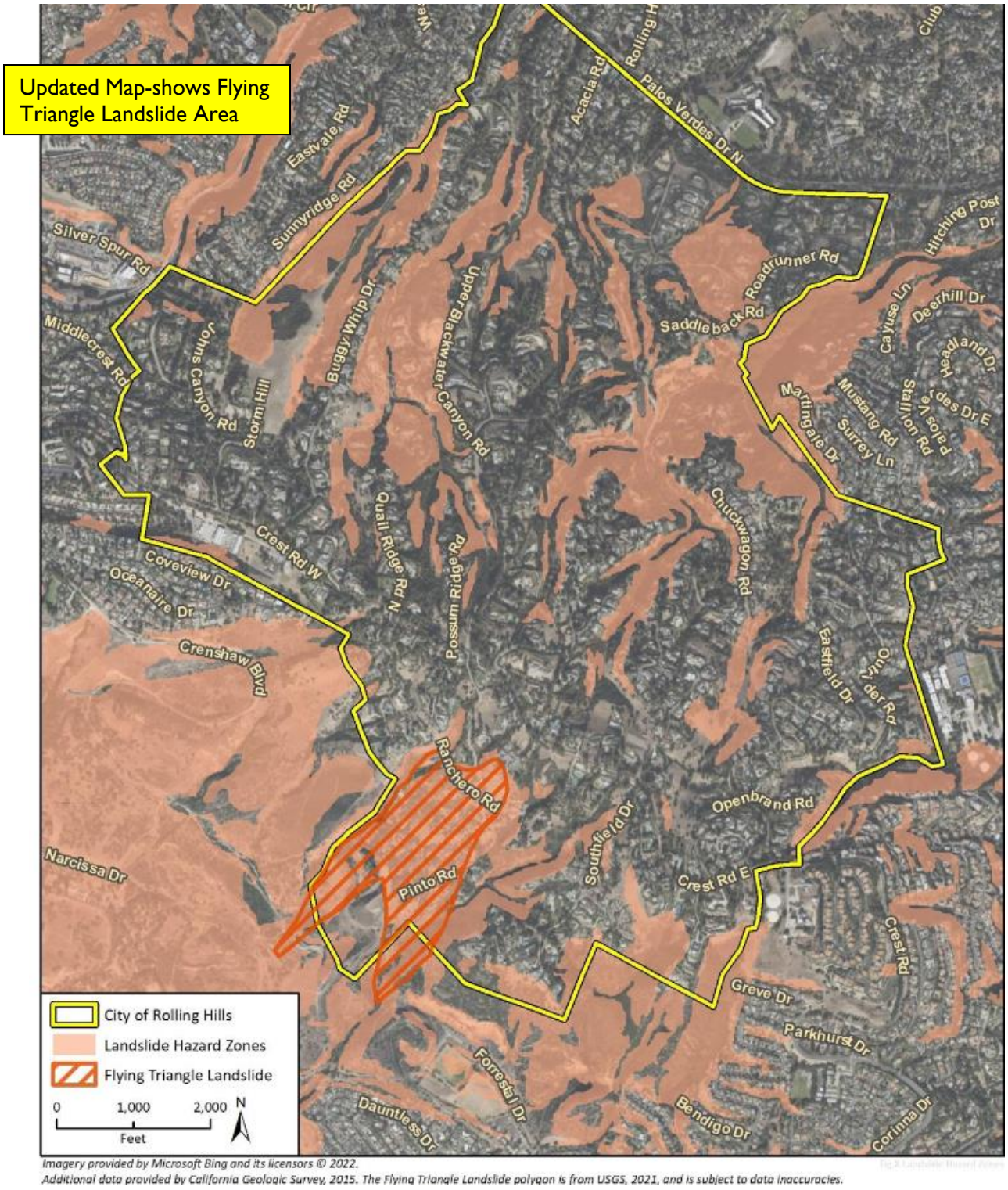


Figure 5.2: Landslide Hazard Areas in Rolling *Source: Draft Rolling Hills Amended Safety Element, 2021*

Imagery provided by ESRI, Microsoft Bing and its licensors © 2020. Additional data provided by California Department of Conservation, California Geological Survey, 2016.

Source: Draft Rolling Hills Amended Safety Element, 2021

Figure 5.3: Earthquake Faults in the Rolling Hills Vicinity

Imagery provided by Microsoft Bing and its licensors © 2020.
Additional data provided by CalFire, 2020.

Source: Draft Rolling Hills Amended Safety Element, 2021

Figure 5.4: CalFire "Very High" Fire Hazard Severity Zones

6. Housing Goals, Policies, Objectives, and Programs

Chapter 6 provides the City's housing plan for the next eight years. The plan has three components:

- A statement of the City's goals and policies for housing. The goals and policies balance State mandates and Government Code requirements with local needs and priorities.
- An action program. The action program identifies the specific, measurable steps the City will take during 2021-2029 to implement the policies.
- Measurable objectives for housing production. These objectives correspond to the City's Regional Housing Needs Allocation (RHNA) and also include numeric targets for housing rehabilitation and conservation.

6.1 Goals and Policies

The following goals and policies reflect the City's continued commitment to actively support residential development and plan for the City's fair share of regional housing needs:

GOAL 1: Provide housing opportunities which meet the needs of existing and future Rolling Hills' residents.

Policy 1.1: Accommodate Rolling Hills' share of the region's housing needs in a way that protects public safety, responds to infrastructure constraints and natural hazards, recognizes market conditions, and respects the historic context and land use pattern in the city.

Policy 1.2: Allow the development of a variety of housing types in the city, including multi-family housing. While Rolling Hills will remain a rural equestrian community, housing opportunities will be provided for all income groups as required by State law.

Policy 1.3: Facilitate development on the remaining vacant buildable lots in the city in a manner consistent with adopted zoning standards.

Policy 1.4: Allow Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) in all residential zones. Maintain objective standards to ensure that ADUs and JADUs are compatible with the community; minimize visual, parking, traffic, and other impacts; and respect neighborhood context.

Policy 1.5: Explore incentives to create and maintain Accessory Dwelling Units that are affordable to low and very low income households.

Policy 1.6: Encourage the conversion of existing guest houses and other habitable accessory buildings into legal ADUs.

Policy 1.7: Work with other governmental entities and the non-profit community to support the development of affordable or senior housing on the Palos Verdes Peninsula and in nearby South Bay cities.

Policy 1.8: Maintain planning and building procedures that maximize efficiency and reduce permit processing times and high fees. Encourage public understanding of the planning and building processes to reduce project costs and delays.

GOAL 2: Maintain and enhance the quality of residential neighborhoods in Rolling Hills.

Policy 2.1: Encourage and facilitate the maintenance and improvement of existing homes.

Policy 2.2: Ensure that new housing and home improvements comply with building code and fire safety requirements.

Policy 2.3: Maintain a code enforcement program, including procedures to remediate violations.

Policy 2.4: Require the design of home improvements, additions, ADUs, and infill housing to minimize impacts on existing residences. Include objective standards in the zoning ordinance that protect visual quality, privacy, and community character.

Policy 2.5: Mitigate hazards that could potentially cause a loss of housing units in the city, including wildfires, landslides, and earthquakes. Encourage home hardening and defensible space to minimize the potential for housing loss during a natural disaster.

Policy 2.6 Prohibit the use of ADUs as short-term rentals in order to maintain their viability as permanent housing units.

Policy 2.7: Encourage weatherization, energy conservation, and renewable energy to increase energy efficiency and reduce home energy costs.

GOAL 3: Address the housing needs of older adults and others in the community with special housing needs.

Policy 3.1: Provide reference and referral services for seniors, such as in-home care and counseling for housing-related issues.

Policy 3.2: Support shared housing programs and room rentals as options for seniors to remain in the community without financial hardship.

Policy 3.3: Encourage housing opportunities for live-in care givers, domestic employees, and family members who may assist elderly or mobility-impaired residents who wish to age in place.

Policy 3.4: Consider participation in state and federal programs that assist lower income and senior households in home repair and maintenance.

Policy 3.5: Strive to meet the needs of extremely low-income Rolling Hills residents, including seniors on fixed incomes.

Policy 3.6: Encourage the retrofitting of existing Rolling Hills homes so they are accessible to the disabled, including persons with developmental disabilities. Provide reasonable accommodations in rules, policies, practices, and procedures for disabled persons to ensure equal access to housing.

Policy 3.7: Participate in countywide programs to meet the needs of unsheltered residents and others who may need emergency housing assistance.

GOAL 4: Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, disability status, or national origin.

Policy 4.1: Affirmatively further fair housing by ensuring that housing opportunities for persons of all income levels, races and ethnicities, and physical abilities are available in Rolling Hills.

Policy 4.2: Enforce all applicable laws and policies pertaining to equal housing opportunity and discrimination. Maintain third party agreements to follow-up on and correct alleged violations.

Policy 4.3 Make information on fair housing laws available to residents and realtors in the City by providing information on the City's website and print media at the City Hall public counter.

Policy 4.4: Ensure effective and informed community participation in local housing decisions. This should include special efforts to include traditionally underrepresented groups, including persons working or providing services in Rolling Hills.

Policy 4.5: Distribute affordable housing opportunities around the city by focusing on ADUs as a housing strategy.

Policy 4.6: Participate in regional forums and initiatives to promote fair housing.

6.2 Housing Implementation Plan, 2021-2029

The goals and policies set forth in the Housing Element will be implemented through a series of housing programs. Some of these programs are already underway and others will be implemented over the next eight years. This section of the Housing Element provides a brief description of each program, including measurable objectives, responsible entities, and implementation timeframes. Each of these programs has been developed consistent with HCD guidelines and State Government Code requirements.

Program 1: Annual Progress Report

As required by State law, the City will prepare and file an annual report on the progress made toward implementing its Housing Element using forms and definitions adopted by the California Department of Housing and Community Development (HCD). Guidance on the content of the report is provided by the State Office of Planning and Research. It documents the City's progress toward meeting its share of regional housing needs and efforts to remove government constraints to housing production. The report must be presented to the City Council prior to its submittal (it may be approved as a consent item).

Quantified Objective:	Provide one report per year
Funding Source:	City General Fund
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	File by April 1 of each year

Program 2: Rancho Del Mar Opportunity Site Monitoring

In February 2021, the City adopted the Rancho Del Mar Overlay Zone on the 31-acre Rancho Del Mar (RDM) campus owned by the Palos Verdes Unified School District. As documented in Chapter 4 and Appendix B of this Housing Element, large parts of the RDM site are unimproved and vacant. The new zoning permits 16 affordable multi-family units on the site, which may be developed "by right" at a minimum density of 20 units per acre.

The City Manager will meet at least once annually with the School Superintendent to discuss the future of the site, including future development opportunities. Next steps to be pursued on the site include:

- ~~Exploring the feasibility of s~~Subdividing the site to create a separate parcel west of the PVPTA transit facility. This site could potentially be more easily marketed as a development opportunity than the 31-acre site as a whole.[1]
- Preparation of a "fact sheet" for the site, for review by the School Superintendent and School Board, highlighting the potential for multi-family housing
- Further discussions with the School Board regarding opportunities for teacher housing and/or senior housing on the site.

[1] *Subdivision is not required to develop the site—it can also be developed "as is" in 2022. However, subdivision could provide an incentive for future development during the planning period.*

- In collaboration with the School District, make information on the site (e.g., the "Fact Sheet") available to affordable housing developers.
- Further discussions with non-profit developers regarding the opportunity to construct housing on the site, including technical assistance to developers where requested.
- Consideration of permit streamlining, CEQA clearance, and fee reductions for future affordable housing development on the site. Multi-family housing is already permitted "by right" subject to objective design standards adopted in February 2021, but further steps could be taken to reduce future development costs.

Quantified Objectives:	(1) 16 units of affordable housing on the RDM site (2) Annual meeting between the City Manager and School Superintendent
Funding Source:	City General Fund
Responsible Agency:	City Manager
Implementation Time Frame:	~~Once annually, beginning in 2021~~ (1) Meeting with School Superintendent by end of 2022 and once annually thereafter (2) Preparation of site "fact sheet" for review by School District and School Board by June 2023 (3) Subdivision creating "western" parcel by end of 2023, subject to School Superintendent and Board approval

Program 3: No Net Loss Monitoring and Other Multi-Family Housing Opportunities

The City has identified adequate capacity to accommodate 45 units of housing, as required by the Regional Housing Needs Allocation. Sixteen of these units are on the Rancho Del Mar Site. Five are new single family homes on vacant lots (three of which are already approved). The remainder are Accessory Dwelling Units. Rolling Hills will continue to maintain General Plan and zoning designations that facilitate development of the required number of units and will continue to comply with the Housing Accountability Act in the event projects are proposed.

SB 166 (2017) requires that every city maintain "adequate sites" to accommodate its RHNA by income category at all times during the eight-year Housing Element period. If a designated housing opportunity site becomes unavailable, the city must demonstrate that it still has adequate capacity on its remaining sites (e.g., "no net loss"). In the event the Rancho Del Mar site becomes unavailable to produce the housing units envisioned by the overlay zone, the City would need another suitable site to accommodate those units.

Cities generally meet the no net loss mandate by providing one or more "buffer" sites in addition to their primary sites. These sites must meet HCD criteria, including the ability to accommodate 16 units at a density of at least 20 units per acre. As demonstrated in Chapter 4, due to the lack of sewer and the community's natural hazards, Rolling Hills does not have a buffer site available. The City will continue to explore potential housing sites that could supplement the RDM site, particularly where sanitary sewer service could be made available in the future. The City will continue to rely on accessory dwelling units to meet the balance of its lower-income housing assignment, regardless.

Quantified Objectives: No net loss of housing capacity to meet RHNA at all times
Funding Source: City General Fund/ Permitting Fees
Responsible Agency: Planning and Community Services Department
Implementation Time Frame: Continuous through 2029

Program 4: Add Definitions of Transitional and Supportive Housing, Residential Care Facilities, and Employee Housing, to Municipal Code

To comply with Government Code Section 65583(c)(3), the City of Rolling Hills must clarify that residential care facilities, transitional housing, and supportive housing are considered residential uses and are subject to the same restrictions that apply to the other residential uses that are allowed in a given zoning district. In other words, a single family home used as a group home for persons with disabilities is subject to the same planning and zoning requirements that apply to a single family home used by a traditional family. Most local governments have addressed this requirement by adding definitions to their zoning codes for transitional and supportive housing, as well as large and small residential care facilities.

The purpose of this program is to add those definitions to the Rolling Hills Municipal Code (Chapter 17). The definitions would acknowledge that such housing is permitted ~~or conditionally permitted~~ in the same manner as other residential dwellings of the same type in the same zone as required by State law. The Code amendments will ensure that no special requirements are placed on residential care facilities with seven or more occupants, as required by State law. Definitions of ~~small licensed residential care facilities (for six of fewer residents) and~~ low barrier navigation centers also will be added to the Code and referenced in other zoning regulations, as required by State law.

This program also includes a Municipal Code Amendment to add a definition for employee housing in accordance with the California Health and Safety Code (HSC). HSC Section 17021.5 states that employee housing providing accommodations for six or fewer people shall be deemed a single family structure with a residential land use designation. It further states that employee housing may not be considered a boarding house, rooming house, hotel, dormitory, or similar term that implies that such housing is a business run for profit or differs in any other way from a single family dwelling. State law precludes a city from requiring a conditional use permit, zoning variance or other zoning variance for such housing, and stipulates that the use of a single family dwelling for six of fewer employees does not constitute a change of occupancy for building code purposes.

Quantified Objectives: Council Action Adopting Definitions
Funding Source: City General Fund
Responsible Agency: Planning and Community Services Department/ City Attorney
Implementation Time Frame: Complete by December 2022

Program 5: Density Bonus Ordinance

Section 65915 of the California Government Code establishes mandatory statewide provisions for density bonuses for affordable and senior housing projects. Rolling Hills does not currently have density bonus provisions in its Municipal Code. Historically, the City has not had multi-family housing, nor any site where multi-family housing could be constructed. With the creation of the Rancho Del Mar Overlay Zone, a developer could request a density bonus and related concessions from a developer. State standards would apply in this instance. The City should adopt provisions in its Municipal Code acknowledging the applicability of State density bonus laws in the event a request is received.

Quantified Objectives:	Municipal Code amendment related to Density Bonuses
Funding Source:	General Fund
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Complete by December 2022

Program 6: Accessory Dwelling Unit (ADU) Production, Monitoring, and Incentives

As noted in Chapter 4, the City intends to meet its Regional Housing Needs Allocation of 29 lower income units through a combination of affordable housing on the Rancho Del Mar site (16 units) and privately constructed and rented ADUs on scattered sites throughout the city. At least 13 ADUs should meet affordability thresholds for low and very low income households.[2] Creating opportunities for lower income households on scattered sites supports one of the main objectives of the State's Affirmatively Further Fair Housing (AFFH) requirements, which is to avoid the concentration of lower income housing in a single location. An ADU-centered strategy also responds to the lack of sanitary sewer, storm drainage, and public streets in Rolling Hills and the community's rural densities and absence of supportive services.

As stated in Chapter 4, the City approved nine ADUs in 2021 alone, including two that are projected to be affordable to lower income households based on their small size. Thus, creating another 11 ADUs affordable to lower income households over the next eight years is an attainable goal. The Annual Housing Progress Report should address the City's progress toward meeting this goal; if the City is falling short after two years, the strategy should be revisited and additional incentives should be developed.

Program 6 includes a number of specific elements, which are listed below:

6.1 Develop Citywide Roster of ADUs. The City developed an ADU roster in October 2021 and will expand the roster as new units are created. Currently, the roster (or data base) contains fields such as Address, Owner, month approved, square footage, and a description of each unit. This should be expanded to include information on whether the unit is occupied, the number of occupants, and the rent charged—this information would be requested from homeowners on a voluntary basis. Tracking occupancy and affordability is intended to determine how many units are serving very low- and low-income households, and to demonstrate that the City is meeting its RHNA.

[2] *Two ADUs meeting affordability criteria for low/very low are already under construction (see Table 4.1), leaving a balance of 11 needed.*

6.2 Annual ADU Survey and Monitoring. The City will send an annual letter to households on the ADU roster requesting information on the status of the unit. The information will be used to prepare a summary that can be referenced as part of the City's Annual Progress Report. As part of this task, the City will also identify instances where very low or extremely low income households (including family members, domestic employees, caregivers, etc.) are residing on Rolling Hills properties and paying below market rent (or no rent). To the extent these households are occupying independent living quarters, this data provides evidence that the City is accommodating its RHNA target for very low income households.

As part of this effort, the City will also implement an annual monitoring program to ensure that the Housing Element targets for ADUs are being achieved. A determination of the City's progress toward meeting its RHNA target of 40 units over 2021-2029 shall be made once per year. In the event the City is not on track to meet its target, it will consider alternative means of meeting its RHNA goals within six months of this determination. These could include additional ADU incentives, modifications to the affordable housing overlay zone, and other actions that would facilitate production of additional affordable units.

6.3 Develop Inventory of Potential ADUs. Over time, the City will develop a parcel data base of potential (or "unintended") ADUs, which are existing habitable spaces that could potentially be converted into independent dwelling units. This would include guest houses, pool houses, and similar accessory structures that are used by the primary residence. As the inventory is completed, owners would be advised of the opportunity to convert the space into a legal ADU.

6.4 Incentives for ADU Construction. The City will develop incentives for ADU construction. Different incentives may be developed for those building new homes (i.e., reduced fees for including an ADU in a new residence), those adding a new ADU on their property, and those converting existing habitable floor space into an ADU. In accordance with California Health and Safety Code (HSC), Section 65583(c)(7) (effective January 1, 2021), the City will explore the use of State CalHome, LEAP, REAP, and SB 2 funding to help local homeowners build or finance ADUs on their properties. Access to these funds typically requires rents that are affordable to low and very low-income households.

6.5 Pre-Approved ADU Plans. The City will determine its eligibility for State grant funding to develop "pre-approved" plans for ADUs that can be used by Rolling Hills residents. These architect-developed plans would be specifically tailored to meet the RHCA design guidelines and would respond to the topography and access constraints found on most Rolling Hills lots. Enabling homeowners to use pre-approved plans may reduce architectural design costs, and potentially reduce construction costs. This can make ADUs more feasible and allow them to be rented more affordably.

6.6 Coordination with RHCA. The City will coordinate with the Rolling Hills Community Association to ensure that RHCA's design review practices and procedures do not constrain ADU construction or add to their costs. City staff will meet with RHCA staff and the RHCA Architectural Committee regularly to coordinate review, advise RHCA of State laws relating to ADUs, and address any issues that may arise in the future. The City will also work with the Rolling Hills Community Association to explore reduction of annual HOA fees for

property owners agreeing to limit rents on their ADUs.

6.7 Septic Tank Replacement Grants or Financial Assistance. The City will pursue funding for a grant which can be used to assist homeowners with septic tank replacement when paired with the addition of an ADU. The grants would be targeted to lower income seniors who may seek to add an ADU but lack the financial resources to replace their septic tanks.

6.8 Non-Profit Construction of ADUs. The City will explore the possibility of engaging a non-profit housing developer in a program to develop ADUs in partnership with interested Rolling Hills property owners. Participation could be limited to qualifying lower income residents, or to homeowners who agree to limit rents to levels that are affordable to lower income households. Such a program was successfully implemented by the City of Santa Cruz, in collaboration with Habitat for Humanity, and could be considered locally.

6.9 Monitor Best Practices in ADUs. The City will continue to track statewide and national trends in ADU management, incentives, and regulations. The focus will be on cities in California that are comparable to Rolling Hills in density, character, and constraints, with an eye toward cities that are relying on ADUs to meet a substantial share of their RHNA for lower income households. Programs that are potentially transferable to Rolling Hills will be considered for local implementation.

6.10 Update Municipal Code Provisions for ADUs. By October 15, 2022, the City will update its ADU ordinance to reflect changes to State law made since the last revision to the ordinance in February 2020. This includes eliminating references to a maximum bedroom count in an ADU and including provisions for complete applications to be deemed approved if they are not acted upon within 60 days.

6.11 Outreach to ADU Permit Recipients. The City will monitor ADU approvals, including six-month "check-ins" with all applicants receiving ADU permits until the units are completed. These check-ins will include status updates on the projects, including whether a building permit has been issued and what progress is being made. In the event an applicant chooses not to follow through on an approved ADU, staff will make an effort to document the reasons and evaluate any changes that might be made to the City's ADU program to improve completion rates. This information should be part of the City's annual housing progress report.

In addition to the specific measures listed above, City staff will continue to assist homeowners who are interested in adding an ADU, and will work with applicants to facilitate ADU review, permitting, and approval.

Quantified Objectives:

(1) Citywide ADU roster of 40 ADUs by 2029, including at least 13 ADUs rented at levels meeting affordability criteria for lower income households
(2) ADU Survey, administered once a year
(3) Inventory of potential ADUs
(4) ADU Incentives
(5) Two to four pre-approved ADU architectural plans
(6) Municipal Code Revisions (see 6.10 above)

(7) 100% completion of ADUs receiving permits

Funding Source: City General Fund/ State grants

Responsible Agency: Planning and Community Services Department/ City Attorney

Implementation Time Frame: (1) Rosters and Surveys prepared by 2022 and updated annually
(2) ADU incentives by 2023
(3) Approved architectural plans by 2024, or as funding allows
(4) Amend Municipal Code Chapter 17.28 (Accessory Dwelling Units) for consistency with State law by October 15, 2022
(5) Establish protocol for 6-month check-ins with ADU permit recipients by January 1, 2023
(6) Annual monitoring report on ADU production

Program 7: Accessory Dwelling Unit (ADU) Outreach, Education, and Information

Program 7 addresses public outreach, education, and information on ADUs. Like Program 6, it has multiple elements.

7.1 Biennial Mailing. The City will send a mailing to all households in Rolling Hills at least once every two years advising them of the opportunity to create an ADU, the potential benefits of having an ADU, and potential incentives in the event the ADU will be occupied by a household worker, caregiver, family member, or other household meeting the definition of a low or very low income household. The mailing may consist of an article in the City's monthly newsletter.

7.2 Website. The City will develop a landing page on its website with information on ADU opportunities ("Thinking about building an ADU?"). The website landing page will include information on the types of ADUs an owner may consider (detached, attached, junior, etc.), the typical cost and cost considerations, financing options, tax implications, development standards, tenant selection, and so on. The information should also be provided in printed form for interested homeowners.

7.3 RHCA Design Guidelines Update. The City will work with the Rolling Hills Community Association to facilitate an update of the RHCA Design Guidelines so that they address ADUs. Currently, the Guidelines do not acknowledge ADUs at all. The Update would provide objective design standards for ADUs that are consistent with Rolling Hills zoning standards as well as the design guidelines that currently apply.

Quantified Objectives: (1) Mailings to all Rolling Hills households (at least once every 2 years)
(2) Updated City website
(3) Updated Design Guidelines document

Funding Source: City General Fund, State grants

Responsible Agency: Planning and Community Services Department

Implementation Time Frame: (1) First mailing by December 2022
(2) Website update by June 2023
(3) Update of design guidelines by 2024

Program 8: Assist Senior and Disabled Households

The City will continue to address the housing needs of seniors and persons with disabilities by connecting those in need with social service agencies, non-profits, volunteer organizations, and other service providers, and by coordinating with the RHCA in the services and programs it provides. As noted in the Needs Assessment, more than one-third of the city's residents are over 65 and about 10 percent have one or more disabilities. The City will work with seniors, especially those on fixed incomes, to evaluate housing needs and resources. Within 18 months of Housing Element adoption, the City Council will convene a study session jointly with the RHCA Needs of Seniors Committee and at least one local non-profit serving seniors (such as Peninsula Seniors) to discuss the needs of Rolling Hills seniors and potential programs to address these needs.

Several of the programs listed elsewhere in this Element (shared housing, assistance with home maintenance, reduced utility rates, etc.) are primarily intended to benefit lower income seniors. The City also will support expanded opportunities for persons with disabilities, including the use of universal design principles and accessibility standards in new construction and ADUs. As part of this program, Rolling Hills will also work with the Harbor Regional Center to implement outreach services to Rolling Hills families on services available to persons with developmental disabilities. The City's website will be updated to include links to housing and supportive services for seniors and disabled persons.

Quantified Objectives:	Website landing page with senior housing resources Facilitate age-in-place retrofits for 10 senior households City Council study session on needs of seniors and potential actions to assist Rolling Hills seniors
Funding Source:	City General Fund
Responsible Agency:	Planning and Community Services Department/ City Manager
Implementation Time Frame:	June 2023 (for website) Council Study Session before December 2023

Program 9: Assist Extremely Low-Income Households

Extremely Low Income (ELI) households have incomes that 30 percent or less of the County median. In 2021, the income thresholds for ELI were $24,850 for a household of one; $28,400 for a household of two; $31,950 for a household of three; and $34,450 for a household of four.

Based on CHAS data, there are 25 ELI households in Rolling Hills, representing about 3.5 percent of the city's households. The CHAS data indicated that all 25 of these households were homeowners, suggesting they are primarily seniors on fixed incomes. The City will explore ways to assist elder Rolling Hills homeowners on fixed incomes with home maintenance, repair, and retrofit activities. It will also direct these households to appropriate resources, such as shared housing services and programs to reduce utility costs.

There are additional ELI households in Rolling Hills that may not be counted in the Census data, including extended family members living in independent quarters on a property, or domestic employees (housekeepers, au pairs, personal assistants, etc.) living in guest houses, accessory buildings, or in separate quarters within the primary residence. The City will address the needs

of these households by prioritizing applications for ADUs and encouraging homeowners to create opportunities for domestic employees and family members to live "on site."

A study sponsored by SCAG in 2020 determined that 15 percent of the ADUs in the coastal Los Angeles area were likely to be available at rents affordable to Extremely Low Income Households.[3] A 2018 study further found that 17% of the ADUs in Portland, Seattle, and Vancouver were occupied by a friend or family member for free.[4] A 2014 study found that 18% of the ADUs in Portland were occupied for free or extremely low cost.[5] A 2012 UC Berkeley publication indicates that up to half of all ADUs are occupied at no cost.[6]

Based on these analyses, the City is estimating that seven "rent free" or extremely low income rentals will be added to the Rolling Hills housing stock by 2029. It will seek to document and measure progress toward this objective by soliciting voluntary reporting of such units by individual homeowners. As noted in Program 6.2, an annual survey is proposed to be administered to all registered ADU owners in the city. This would enable tracking of rent-free or reduced rent ADUs.

Quantified Objectives:	Provide seven housing units affordable to Extremely Low Income
Funding Source:	City General Fund/ Permitting Fees
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Prepare inventory of Extremely Low Income (ELI) units by 2024, update annually Facilitate housing assistance to at least three ELI senior homeowners by 2025

Program 10: Support Regional Efforts to End Homelessness

Extremely low-income persons also include those who are homeless or may be at risk of becoming homeless. Although the point-in-time surveys for the last five years have not counted any homeless residents in Rolling Hills, the City recognizes that homelessness is a regional problem that requires regional solutions. Rolling Hills will continue to allow emergency shelters and single room occupancy hotels in the Rancho Del Mar Overlay Zone and will monitor the effectiveness of its regulations in its Annual Housing Progress Report.

The City will continue to work with adjacent communities on emergency shelter referrals. As a member of SCAG and the South Bay Cities COG, staff and elected officials participate in forums and discussions of homelessness, and potential programs and resources to end homelessness and increase the supply of shelter, transitional, and supportive housing in Greater Los Angeles.

Quantified Objectives:	Participation in point in time surveys; participation in at least one regional meeting annually on strategies to end homelessness
Funding Source:	City General Fund/ Permitting Fees
Responsible Agency:	Planning and Community Services Department/ City Manager
Implementation Time Frame:	Ongoing, 2021 through 2029

[3] *SCAG Regional Accessory Dwelling Unit Affordability Analysis, 2020*
[4] *Jumpstarting the Market for ADUs. Terner Center (for ULI), San Francisco, 2018*
[5] *ADUs in Portland OR. Environmental Solutions Management, 2014*
[6] *Scaling Up Secondary Unit Production in the East Bay. Berkeley Institute of Regional Development, 2012*

Program 11: Permit Streamlining

The City will continue its efforts to expedite permit processing, ensure efficiency, and reduce administrative and processing costs for new development. This could include provisions for reduced fees for ADUs that are rented at below market levels, or occupied by qualifying lower income households. As part of the annual budgeting process, the City will ensure that fees are appropriate for the services provided, and will consider ways to improve the permitting and entitlement processes.

Quantified Objectives:	Compliance with all provisions of the Permit Streamlining Act
Funding Source:	City General Fund/ Permitting Fees
Responsible Agency:	City Manager/ Finance Director/ Planning and Community Services Department/ LA County Building and Safety
Implementation Time Frame:	Ongoing, 2021 through 2029

Program 12: Facilitate Communication with Affordable Housing Service Providers, Developers, and Advocates

The City of Rolling Hills periodically receives requests from housing advocates, non-profit developers, and service providers to disseminate information on affordable housing needs and opportunities and work collaboratively to address housing issues. City planning staff regularly field requests from for-profit and non-profit developers, participate in regional housing meetings and discussions, and work with other cities to explore creative, effective ways to meet housing needs. In the event a non-profit agency or developer wishes to submit a grant application that will increase housing affordability for senior or low income Rolling Hills residents, staff will provide administrative support wherever possible.

Quantified Objective:	Hold at least one meeting a year with one or more non-profit housing sponsors to discuss housing opportunities and needs in Rolling Hills
Funding Source:	General Fund
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Convene one meeting before December 2022. Convene additional meetings at least once a year from 2023 to 2029.

Program 13: Shared Housing

Shared housing enables homeowners to offset their housing costs by receiving rent, or get additional help in managing housing duties. It also creates a resource for lower income households in the community, including college-aged students and young adults, caregivers, domestic workers, landscapers and building industry workers, child care workers, teachers, and other public service employees. It can also be a resource for seniors, some of whom may no longer wish to live alone or lack the financial resources to live alone.

Residents in Rolling Hills have access to two nearby shared housing programs: Focal Point at the South Bay Senior Services Center in Torrance and the Anderson Senior Center in San Pedro. Both these centers offer resources to assist seniors locate roommates interested in sharing housing. These programs make roommate matches between seniors based on telephone requests.

Numerous other home sharing services have emerged over the last decade. These include SHARE! Collaborative Housing, a public-private partnership supporting shared single family housing for persons with disabilities in Los Angeles County; Affordable Living for the Aging, which matches younger single tenants with seniors in Los Angeles County; and Los Angeles County HomeShare, which serves residents of all ages throughout the County. There are also private services such as Silverleaf (Long Beach) that facilitate home sharing for a fee.

The City will continue to apprise residents about shared housing programs by providing information at the public counter and online.

Quantified Objectives:	Continue to provide informational brochures advertising shared housing programs at City Hall and on the City's website
Funding Source:	City General Fund
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Establish website links by December 2022

Program 14: Sewer Feasibility Studies and Phase One Construction

As indicated in Section 5.3.5 of this Housing Element, Rolling Hills does not have a sanitary sewer system. With a few exceptions, the entire city is served by private septic systems. Septic system installation is costly and requires customized design to reflect steep terrain. The cost of installing sanitary sewers and storm drains would be even more costly, as it would likely require easements, force mains, and lift stations.

The City recently completed design drawings for a sanitary sewer extension through adjacent Rolling Hills Estates that will bring service to Rolling Hills City Hall and the Tennis Courts. A future phase of this project could continue southward along Portuguese Bend Road, allowing some Rolling Hills homes and a number of vacant properties to be served by sewer. A survey done by the City in 2021 indicated there was strong support for a sewer extension project, contingent on the cost to each homeowner. There is currently no funding source for such an extension. Grant funding would be required, as it would reduce the cost burden on homeowners and make the project more feasible.

The City will continue to work toward addressing this constraint during the 2021-29 planning period. This includes:

- Developing the initial phase of the project, serving City Hall and the Tennis Courts
- Conducting feasibility and cost studies for a future phase to serve privately owned homes and parcels in the northern part of Rolling Hills
- Pursuing funding for future phases
- Continuing to poll Rolling Hills residents on their level of support for the project

In addition, the City continues to monitor water quality issues related to its MS 4 permit for stormwater discharge. Efforts to address runoff quality and implement best management practices to reduce pollution are ongoing and will continue.

Quantified Objective:	(1) Complete 1,585-foot sanitary sewer extension to City Hall/ Tennis Courts (Phase I) (2) Complete feasibility / cost study of sanitary sewer extension (3) Obtain grants for Phase I project construction
Funding Source:	General Fund/ State grants
Responsible Agency:	City Manager
Implementation Time Frame:	Complete Phase I by 2024 Determine viability of future phases and available grants by 2023

Program 15: Consider Participation in CDBG Urban County Program

At least once every two years, the City should re-evaluate the feasibility of joining the Los Angeles Urban County CDBG program in order to create a funding source for home improvements for qualifying lower income Rolling Hills residents. The decision should consider the potential amount of funding that could be received by the city, and potential uses for that funding, as well as the administrative costs, reporting requirements, and staff resources required to carry out the program. In the event the City receives CDBG grants, it could consider using the funding to assist qualifying lower income households with energy efficiency improvements, housing rehabilitation and improvements, or septic tank replacement.

Quantified Objectives:	Prepare staff report to City Council regarding participation in Urban County CDBG program
Funding Source:	City General Fund
Responsible Agency:	City Manager/ Finance Director
Implementation Time Frame:	By 2023, and every two years thereafter

Program 16: Code Enforcement

The City will continue code enforcement and nuisance abatement activities to ensure the safety and habitability of housing in Rolling Hills. While property maintenance in Rolling Hills is excellent, there is a need for ongoing enforcement of planning and building codes. The City has a "Code Enforcement" webpage with online forms for reporting suspected violations, including those relating to vegetation management and outdoor lighting as well as unpermitted construction or nuisances. Periodic information on code enforcement resources and requirements is also provided to residents through the City's monthly newsletter.

Quantified Objective:	Respond to 100 percent of resident Code Enforcement inquiries
Funding Source:	General Fund
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Ongoing, 2021-2029

Program 17: Reduce Home Energy Costs

Energy bills can be a significant cost burden, particularly for households on fixed incomes with large homes to heat and cool. The City has adopted the Green Building Code and enforces Title 24 energy efficiency requirements through its contract with the Los Angeles County Department of Building and Safety. New residential projects, including new homes, ADUs, renovations, and additions, will continue to be required to meet Title 24 standards. These requirements result in energy savings which reduce gas and electric consumption and home utility bills.

Rolling Hills also works with Southern California Edison to distribute information to residents on energy conservation and weatherization, including information on financial assistance and lower utility rates for low-income customers. The City will provide links on its website to assist lower income residents in accessing information on reduced utility rates. Rolling Hills is also a member of the South Bay Environmental Services Center, which provides information on energy incentives, audits and rebates. These programs will continue in the future.

The City will also support resident installation of solar energy systems. A growing number of Rolling Hills homeowners have installed photovoltaic panels, increasing energy independence and resilience while reducing home energy costs.

Quantified Objective:	(1) Provide links on City website related to energy conservation, weatherization, and financial assistance (2) Adopt updated Building Code standards for energy efficiency
Funding Source:	General Fund, LIHEAP
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Website Update, with links: Complete by January 2023

Program 18: Facilitate New Construction and Home Improvements

The City will continue to work with property owners, architects, and builders to enable new housing to be built in the City. Continued cooperation and communication between City staff, applicants, and neighbors will facilitate the construction of new housing. The City is committed to efficient planning, building, and inspection procedures, and regularly seeks ways to improve the process and reduce delays.

With few vacant lots remaining, most construction projects in Rolling Hills consist of home additions, repairs and modernization, or replacement of existing dwellings. Continued investment in Rolling Hills housing stock is strongly encouraged and will continue to be supported in the future. Although the City does not provide direct financial assistance to lower income homeowners, it assists owners in keeping costs down through permit streamlining and fees that are generally below average compared to other cities in Los Angeles County.

Quantified Objective:	5 new single family homes (above moderate income)
Funding Source:	Private Funds (Permitting Fees)
Responsible Agency:	Planning and Community Services Department, LA County Building and Safety
Implementation Time Frame:	Objective covers the period from 2021 through 2029

Program 19: Remediate Geologic Hazards

The City will continue to explore solutions to ground stability and landslide problems. Grading, new structures and additions typically require a soils and geology report along with grading and building permits. The City has developed strict grading practices that limit grading to no more than 40 percent of the lot and require maintenance of natural slopes. These practices are necessary to safeguard the public against ground instability.

The City will support repair work on landslide-damaged homes and hillsides that have been damaged or compromised by past landslides. The City will strive to avoid further loss of its housing stock as a result of natural disasters, including landslides and wildfires.

Quantified Objective:	Geologic studies for new development and major grading permits
Funding Source:	City General Fund
Responsible Agency:	Planning and Community Services Department/ City Manager
Implementation Time Frame:	On-going, 2021 to 2029

Program 20: Fair Housing Services Program Administration

The City will complete a Fair Housing Outreach and Enforcement Options Memorandum to determine options for ensuring that existing and prospective residents have access to fair housing services, and that property owners are apprised of Fair Housing laws and practices. This could include an agreement ~~contract~~ with a third party fair housing services provider to promote and affirmatively further fair housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, disability, or other characteristics protected by state and federal fair housing law. Other alternatives for outreach, education, and enforcement may be considered. Based on the findings of the Memorandum, the City will implement Fair Housing measures, including Programs 21 and 22 described below. ~~City will also contact the fair housing service provider annually to obtain information on cases and referrals originating in Rolling Hills.~~

Quantified Objective:	Fair Housing Outreach and Enforcement Memorandum ~~Active contract with a fair housing services provider~~
Funding Source:	General Fund
Responsible Agency:	City Manager
Implementation Time Frame:	Complete memorandum ~~B~~by December 2022~~; renew Agreement as needed~~

Program 21: Fair Housing Outreach

The City will provide information on fair housing resources on its website, including ~~a~~ links to ~~the~~ fair housing service~~s provider~~. Other outreach measures to be implemented include posting regulations regarding housing discrimination, as well as phone contacts, at City Hall and periodically providing this information in the City's newsletter.

The City will also provide a referral process for any person who believes they have been denied access to housing because of their race, sex, marital status, ancestry, national origin, color, familial status or disability. In the event a complaint is received, the City will refer the party to a fair ~~the City's~~ housing service provider for follow up and work with the complainant to resolve the issue.

Quantified Objective: Active contract with fair housing services provider
Funding Source: General Fund
Responsible Agency: City Manager
Implementation Time Frame: Ongoing, 2021-2029. Website update by December 2022.

Program 22: Fair Housing Training for Staff

At least one City staff member will attend an on-line fair housing certification training class on an annual basis. These classes are typically three-hour sessions in which participants are informed and educated about federal and California fair housing laws, compliance, and illegal housing practices. The trainings cover prohibited and best practices, including language guidance for advertising housing for sale or for rent, and protected classes under federal and California law.

In addition, the City will regularly evaluate the need for multi-lingual services, including translation of material on its website into other languages. It will also continue to implement its reasonable accommodations ordinance and monitor data on persons with disabilities in the city to ensure that barriers to mobility are eliminated to the greatest extent possible.

Quantified Objective: Annual staff training
Funding Source: General Fund
Responsible Agency: City Manager
Implementation Time Frame: Initiate in 2022 and continue annually through 2029

Program 23: Written Procedures for SB 35 Projects

As required by State law, the City will prepare written procedures and application materials for projects seeking to use SB 35. Affordable multi-family housing development on the Rancho Del Mar site would be potentially eligible. The procedures would follow the provisions established by the Affordable Housing Overlay Zone, and include the objective standards and application procedures identified when that zone was adopted. Once completed, the information will be included as a PDF link on the Planning and Community Services Department website for easy access.

Quantified Objective:	Posted information on SB 35, including application form
Funding Source:	General Fund
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Complete by December 31, 2022

Program 24: Updating of Linked Files on Planning and Community Services Department Landing Page

AB 1483 requires that every city post current information on fees, zoning standards, design guidelines, processes and procedures, nexus studies and other pertinent information on its website. Although Rolling Hills complies with this requirement today, reorganization of the material could provide greater clarity and easier access to this information. For example, the website could include a link to the RHCA design guidelines, as well as updated flow charts and graphics showing approval processes. As noted under Program 7.2, the website also should include dedicated information about Accessory Dwelling Units (ADUs) and the steps residents can take to add an ADU on their property.

Quantified Objective:	Reorganized and updated Planning and Community Services Department website
Funding Source:	General Fund
Responsible Agency:	Planning and Community Services Department
Implementation Time Frame:	Complete by December 31, 2023

6.3 Summary of 2021-2029 Quantified Objectives

Table 6.1 provides quantified objectives for housing construction, rehabilitation, and conservation by income group. The new construction objectives align with the RHNA numbers that appear earlier in the Housing Element. The rehabilitation objective aims to assist 10 very low-income senior households over the eight year period. The conservation and preservation objectives correspond to the approximate number of households in Rolling Hills 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 Rolling Hills that are at risk of conversion from affordable to market-rate.

Table 6.1: Quantified Objectives by Income Group for Rolling Hills (2021-2029)

Income Category	New Construction	Rehabilitation	Conservation/ Preservation
Extremely Low [1]	7	5	25
Very Low	13	5	45
Low	9		45
Moderate	11		25
Above Moderate	5		500
Total Housing Units	**45**	**10**	**640**

Source: SCAG Adopted Regional Housing Needs Determinations (November 2012)

[1] City's RHNA for "Very Low" income is 20 units. This has been allocated proportionally to "Extremely Low" and "Very Low" based on Table 3.8, which indicates the current proportion of "Very Low" income households in these two groups. Extremely low income households represent 35% of the "very low" total.

Table 6.2 summarizes the 2422 Housing Element programs listed in this chapter. It includes a quantified objective and timeframe for each program, as presented above.

Table 6.2: Housing Element Action Plan Summary

#	Program	Timing	Quantified Objective
1	Prepare Annual Progress Report on Housing Element implementation	Annually, by April 1	One Report per year
2	Facilitate affordable housing on Rancho Del Mar Housing Opportunity site	Annual meeting with School Superintendent Subdivision by 2024	16 lower-income units by 2029
3	No net loss monitoring/ other housing opportunities	Continuous, through 2029. Address in Annual Report.	No net loss of housing capacity for duration of planning period
4	Add definitions of transitional, supportive, employee housing and residential care facilities to Municipal Code	December 2022	Council action adopting definitions and identification of permitted uses
5	Adopt density bonus provisions in Municipal Code	December 2022	Council action adopting density bonus provisions
6	Accessory Dwelling Unit production, monitoring, and production	• Updated ADU ordinance by 10/15/22 • ADU Roster in 2021 • Annual ADU survey, starting in 2022 • Pre-approved plans in 2024 • ADU incentives in 2023 • Annual monitoring program (2023)	40 ADUs by 2029, including at least 13 ADUs affordable to lower income households
7	Accessory Dwelling Unit Outreach, Education, and Information	• First biennial mailing by end of 2022 • Website update by 6/23 • Update of design guidelines by 2024	• Outreach mailer to 639 households • ADU website landing page • ADU section added to RHCA Guidelines
8	Assist senior and disabled households	• Website update by 6/23 • Housing assistance during 2021-2029	Assist 10 lower income senior households with age in place retrofits
9	Assist extremely low income households	• Prepare inventory of ELI units by 2024	7 ADUs affordable to ELI households
10	Support regional efforts to end homelessness	Ongoing	• Participate in point-in-time surveys • Attend one mtg a year
11	Permit streamlining	Ongoing	Compliance with Permit Streamlining Act

#	Program	Timing	Quantified Objective
12	Facilitate communication with affordable housing service providers, developers, and advocates	By December 2022	• Convene at least one meeting a year
13	Shared housing	By December 2022	• Provide information on website, plus print media resources
14	Sewer feasibility studies and Phase I construction	Phase I construction (serving City Hall) by 2024	• Sewer extension to City Hall/ Tennis Courts • Feasibility study for sewer extension
15	Consider participation in Urban County CBDG Program	By 2023	Staff report and Council discussion
16	Code enforcement	Ongoing	100% follow up
17	Reduce home energy costs	By 2023	Website update
18	Facilitate new construction and home improvements	Ongoing	5 market-rate single family homes (including 3 already approved)
19	Remediate geologic hazards	Ongoing	Geologic studies for new development
20	Fair housing ~~services contract and~~ program administration	Develop fair housing compliance program by December 2022 ~~Develop agreement in 2022; renew annually or as needed~~	~~Contract with fair housing service provider~~ Fair Housing Planning Memo
21	Fair housing outreach	Website update by December 2022	• Contract with fair housing service provider • Website links or landing page
22	Fair housing training for City staff	Initiate in 2022	Annual training for at least one staff member
23	Prepare written instructions for SB 35 applications	Complete by December 31, 2022	Guidance memo and application form
24	Update Planning and Community Services website	Complete by December 31, 2023	Updated website

APPENDICES

Appendix A:
Affirmatively Furthering Fair Housing (AFFH) Evaluation

Overview

In 2018, the Governor signed Assembly Bill 686, adding a requirement that local housing elements address each community's obligation to "affirmatively further fair housing." AB 686 defined this is as:

> *"taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities that restrict access to opportunity based on protected characteristics. Specifically affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws."*

In April 2021, the California Department of Housing and Community Development issued its formal guidance memo on how local governments should address this new requirement in their housing elements. The guidance memo indicates the ways in which the AFFH mandate affects outreach and community engagement, data collection and analysis, the site inventory, identification and prioritization of "contributing factors," and the goals, policies, and programs of the housing element. It also includes data sources and other resources for local governments.

Chart A-1 summarizes the AFFH mandate; the requirements are extensive. As a result, the City of Rolling Hills has provided this appendix to address the mandatory components rather than including this information in the body of the Housing Element. The findings of this assessment have informed the policies and programs in the Housing Element.

There are limitations to the analysis presented here. Rolling Hills is a small community, comprised of a single Census Tract Block Group. It is affluent and homogenous and does not have pockets of poverty or notable disparities between its neighborhoods. Many of the AFFH maps developed by HCD simply affirm this, rather than revealing spatial patterns within the city limits. The underlying goal, which is to reduce impediments to fair housing in the city and improve housing opportunities for lower-income households, remains relevant.

In addition, Rolling Hills does not participate in the federal CBDG program as a member of the Los Angeles County Urban County designation. As such, it is not directly covered by the Analysis of Impediments to Fair Housing Choices prepared by the County Community Development Commission and Housing Authority. Some of the findings of the County Analysis are cited here, as they apply more broadly to the Palos Verdes Peninsula (Rolling Hills Estates and Rancho Palos Verdes are both members).

Chart A-1: Summary of AB 686 Requirements

Source: HCD, April 2021

The remainder of this report provides the data that is generally referred to as the AFFH analysis. This includes trends and patterns related to segregation, racially or ethnically concentrated areas of poverty, disparities in access to opportunity (including persons with disabilities), and disproportionate housing needs. Unless otherwise indicated, all maps in this chapter were prepared using the AFFH data viewer from the California Department of Housing and Community Development.

Duty of All Public Agencies to Affirmatively Further Fair Housing

Federal law already requires that federal agencies administer programs in a way that affirmatively furthers fair housing. This also extends to all local governments receiving funds from the federal government. AB 686 further extended the obligation to all public agencies in the State of California. This mandate applies to administration of all programs and activities relating to housing and community development. The statute requires an examination of policies, programs, rules, practices, and activities, and where necessary, changes to promote more inclusive communities.

Outreach

The City of Rolling Hills has worked to engage all economic segments of the community in the Housing Element Update process. This included conducting more than 11 housing-focused public meetings on Zoom in 2020 and 2021, delivering newsletters with information on the Housing Element to every household in the city, and providing housing-related surveys (both paper and electronic) to every housing unit in Rolling Hills. By reaching out to every household in the city, Rolling Hills has engaged its lower income residents in the process.

Meetings have been held in the evenings to facilitate participation. The public was invited to participate in each meeting as "panelists" rather than "attendees," giving them equal footing to staff and Councilmembers/ Commissioners rather than the more limited opportunities offered by webinars. Drafts of the Housing Element were made available at City offices and on-line, with at least 30 days provided between the release of the Draft and action by the City Council.

Site Inventory

AB 686 requires that a jurisdiction identify sites throughout the community in a manner that is consistent with its duty to affirmatively further fair housing. The sites identified by the City must work to replace segregated living patterns with integrated living patterns. Rolling Hills has done this by focusing on Accessory Dwelling Units (ADUs) to meet its housing needs, rather than by zoning scattered sites throughout the city for multi-family housing. By definition, ADUs provide an effective way to achieve economic integration as they enable low and very low income households to live throughout the community rather than in segregated living patterns.

As noted throughout the Housing Element, the City currently has no multi-family housing units—thus, the designation of the Rancho Del Mar property as an affordable housing opportunity zone would not constitute a "concentration" of poverty. As the only site in the city that has sewer and storm drainage, flat buildable land, road and transit access, and relatively few natural hazards, it is the only suitable site in the city for multi-family housing (see Chapter 4). Placing multi-family

housing elsewhere in Rolling Hills---on hazardous sites prone to landslides and wildfires, without public street access or sewer facilities—would be inconsistent with the objectives of AB 686.

Fair Housing Enforcement

Fair housing enforcement is presently handled on a case-by-case basis. The State of California has an Office of Fair Housing and Equal Opportunity (FEHO) that enforces the Fair Housing Act and other civil rights authorities that prohibit discrimination. In the event a fair housing complaint is received by the City, the involved party would be referred to FEHO for investigation.

There are no pending lawsuits, enforcement actions, judgements, settlements, or findings related to fair housing and civil rights in Rolling Hills. There are currently no local fair housing laws in the City, but Rolling Hills complies with all applicable state and federal laws. These include:

- ~~The City is committed to complying with t~~The federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601 et seq., which the City complies with by ensuring that housing is available to all persons without regard to race, color, religion, national origin, disability, familial status, or sex.
- The federal Americans with Disabilities Act (ADA), which the City complies with through its building code, permit review procedures, and reasonable accommodation procedures
- The California Fair Employment and Housing Act, which the City complies with through its protocols for hiring, decision-making, staff training, advertising, and legal counsel
- Government Code Section 65008 and 11135, which guide the City's procurement protocols, provide preferential treatment for affordable housing, provide equal access to housing assistance, and ensure that multi-family housing is treated fairly relative to single family housing
- Government Code Section 8899.50, which specifies AFFH requirements
- Government Code Section 65913.2, which precludes excessive subdivision standards
- Government Code Section 65302.8, which precludes certain types of municipal growth control laws (the City has none)
- Government Code Section 65583, which includes the requirement to have a housing element
- Housing Accountability Act, which is implemented through the City's development review and zoning procedures

~~An action program in the 2021-2029 Housing Element recommends that the City contract with a third party non-profit to promote the enforcement of fair housing laws, respond to complaints, and resolve complaints through conciliation, mediation, referrals, and litigation where necessary. Most cities in the region have agreements with third party non-profits that provide this service. These entities also provide on-line workshops for city staff and landlords, and offer phone and on-line counseling.~~

HCD's AFFH data viewer reports that there were zero (0) fair housing enforcement and outreach inquiries in Rolling Hills between 2013 and 2021. The City is unaware of any fair housing cases that may have occurred without being formally reported, and has not received complaints or inquiries from residents. The City is likewise unaware of any Section 8 housing choice vouchers

in use within Rolling Hills, or any instance of a prospective applicant being denied the opportunity to use a voucher within the city.

Due to the small size of the City's staff, there is not a formal fair housing training program and there is limited expertise on fair housing issues. An action program in this Element directs the City to provide fair housing training to staff, and to improve web-based and print media resources to inform residents of their rights and obligations under the Fair Housing Act. Fair housing information will also be included in the City's newsletter.

~~The City is committed to complying with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601 et seq., by ensuring that housing is available to all persons without regard to race, color, religion, national origin, disability, familial status, or sex.~~

Integration and Segregation

Race and Ethnicity

Chapter 3 of the Housing Element provides an overview of the racial composition of Rolling Hills and the surrounding region. In addition, Table A-1 below shows race and ethnicity data for Rolling Hills and the region (in this case Los Angeles County) for 2010 and 2020.

Relative to Los Angeles County and the greater Los Angeles region, Rolling Hills has a higher percentage of White and Asian residents, and a lower percentage of Black and Hispanic residents. This is also true of the other cities on the Palos Verdes Peninsula. Rolling Hills has have seen an increase in Asian and multi-racial residents over the last 20 years, but the aggregate Black and Hispanic population is 8.3~~7.3~~ percent compared to a countywide figure of 55.6~~56.3~~ percent. The percentage of residents who are two or more races more than doubled in Rolling Hills between 2010 and 2020, which is a much faster rate of increase than the county as a whole. However, given the city's small population, even a few households can cause percentages to shift noticeably. The most significant change is that the number of White, Non-Hispanic households in the city declined from 74.1 percent to 64.9 percent over the decade. Countywide, this percentage dropped from 27.8 percent to 25.6 percent, a smaller rate of decrease~~.~~.

Table A-1: Population Share by Race and Ethnicity, Rolling Hills and Los Angeles County

	Percent of Residents by Race in Rolling Hills		Percent of Residents by Race in Los Angeles County	
	2010	2020	2010	2020
White Non-Hispanic	74.1%	64.9%	27.8%	25.6%
Hispanic/Latino	5.5%	7.0%	47.7%	48.0%
Black	1.5%	1.3%	8.3%	7.6%
Native American	0.0%	0.1%	0.2%	0.2%
Asian	16.2%	20.4%	13.5%	14.7%
Native Hawaiian/ Pacific Islander	0.1%	0.1%	0.2%	0.2%
Other	0.2%	0.7%	0.3%	0.6%
Two or More Races	2.4%	5.6%	2.0%	3.1%

Sources: US Decennial Census, 2010 and 2020.

Since the City is comprised of a single Census tract block group, this data is most useful on a regional basis. Census tracts located several miles to the east and north of Rolling Hills, in Lomita, and in the San Pedro and Wilmington neighborhoods of Los Angeles, are more diverse. Some of the Census tracts on the Palos Verdes Peninsula have larger percentages of Asian residents, making them majority non-White.

Figure A-2 shows the "diversity index" for Census tract block groups in and around Rolling Hills. The index is an indicator of racial and ethnic diversity within a given geographic area. It considers both race and ethnicity (Hispanic or Non-Hispanic). The higher an area's number, the more diverse it is. The index ranges 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 Table indicates an index of 48.4 for Rolling Hills, indicating it is somewhat diverse. The rating is comparable to many other census tracts on the Palos Verdes Peninsula. Some tracts in Rolling Hills Estates and Rancho Palos Verdes are more diverse, while several tracts in Palos Verdes Estates are less diverse. The diversity index is considerably higher in the more urbanized tracts in San Pedro and the Harbor neighborhoods to the east.

Persons with Disabilities

Chapter 3 of the Housing Element provides information on the number of people with disabilities by disability type in Rolling Hills. Roughly 10.6 percent of the city's population has one or more disabilities compared to 9.9 percent in Los Angeles County as a whole. The higher local percentage is likely a result of the older population in Rolling Hills, where the median age is 55 compared to the County average of 36.5. This is further supported by the data shown in Table A-2, which indicates that the percentage of residents with a hearing disability and an ambulatory disability is higher in Rolling Hills than in the county as a whole. Conversely, a smaller percentage of Rolling Hills residents have cognitive disabilities, vision disabilities, and self-care limitations.

Table A-2: Percentage of Residents with a Disability, Rolling Hills and Los Angeles County

	Percent of Residents in Rolling Hills		Percent of Residents in Los Angeles County	
	2010	2020	2010	2020
Total with a Disability	N/A	**10.6%**	**9.3%**	**9.9%**
Hearing	N/A	3.7%	2.3%	2.5%
Vision	N/A	1.3%	1.8%	2.0%
Cognitive	N/A	2.1%	3.6%	4.1%
Ambulatory	N/A	6.9%	5.2%	5.8%
Self-Care	N/A	2.3%	2.6%	3.0%
Independent Living	N/A	5.0%	4.1%	5.6%

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

Figure A-3 shows census tract maps for Rolling Hills and the surrounding area indicating the percentage of residents who are disabled. As Figure A-3 indicates, Rolling Hills appears within the 10-20 percent interval on the map, which is comparable to the percentage in Rancho Palos Verdes, Lomita, and the San Pedro and Wilmington neighborhoods in Los Angeles. Most of the other Census tracts in the vicinity, including those comprising the majority of Rolling Hills Estates, Palos Verdes Estates, and Torrance, are in the less than 10 percent interval. However, the difference is marginal, with Rolling Hills being less than one percentage point above the 10 percent threshold. Given that the population of Rolling Hills is significantly older than the county as a whole, the rate of disability in the city is relatively low. Compared to the disabled population in the region at large, the city's disabled residents have greater access to medical care and supportive services as a result of higher household incomes and the generational wealth accrued through home ownership and equity.

The special housing needs of persons with disabilities are addressed in Section 3.3.2 of the Housing Element.

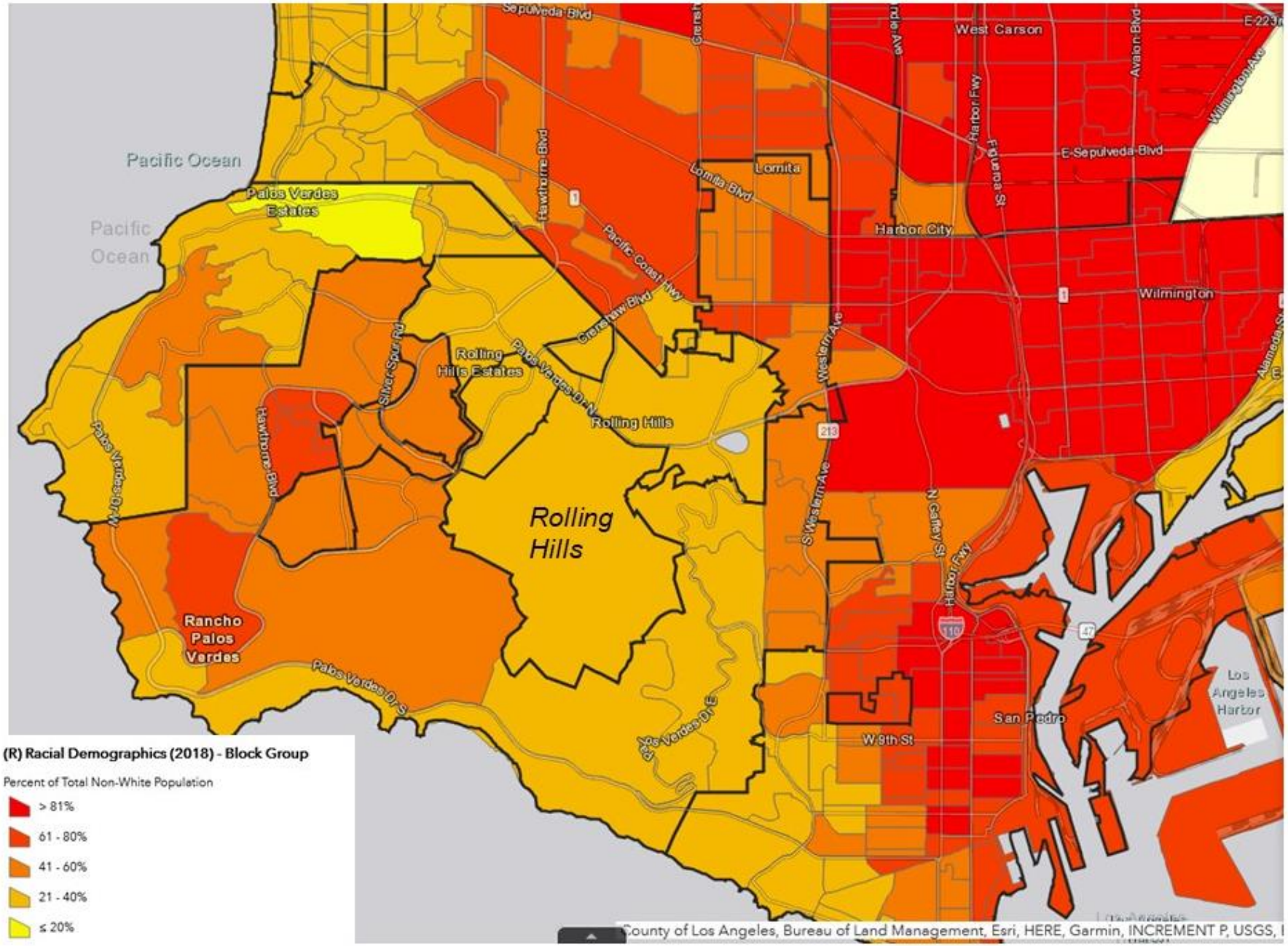


Figure A-1: AFFH Percentage of Residents who are non-White

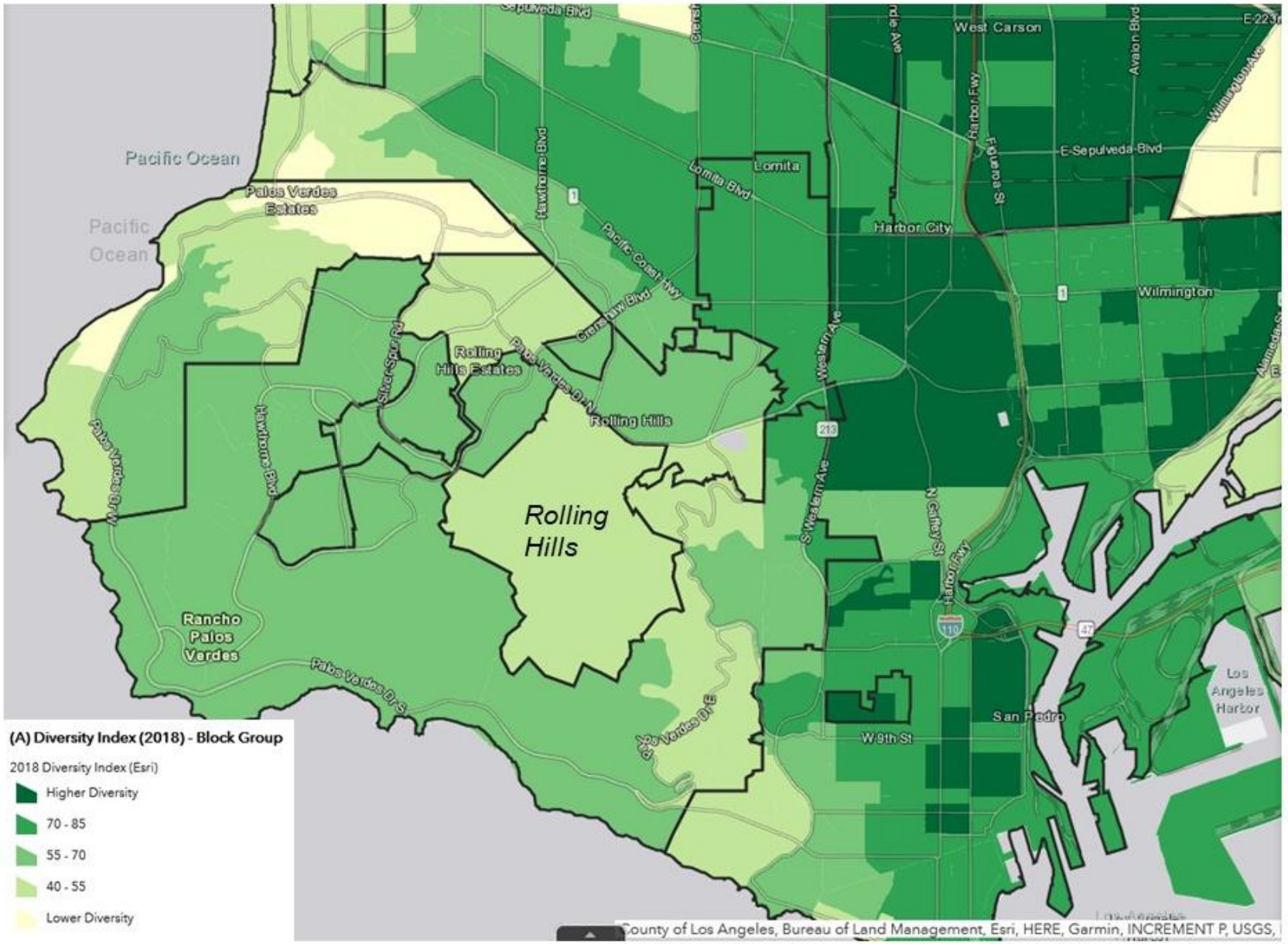


Figure A-2: AFFH Diversity Index

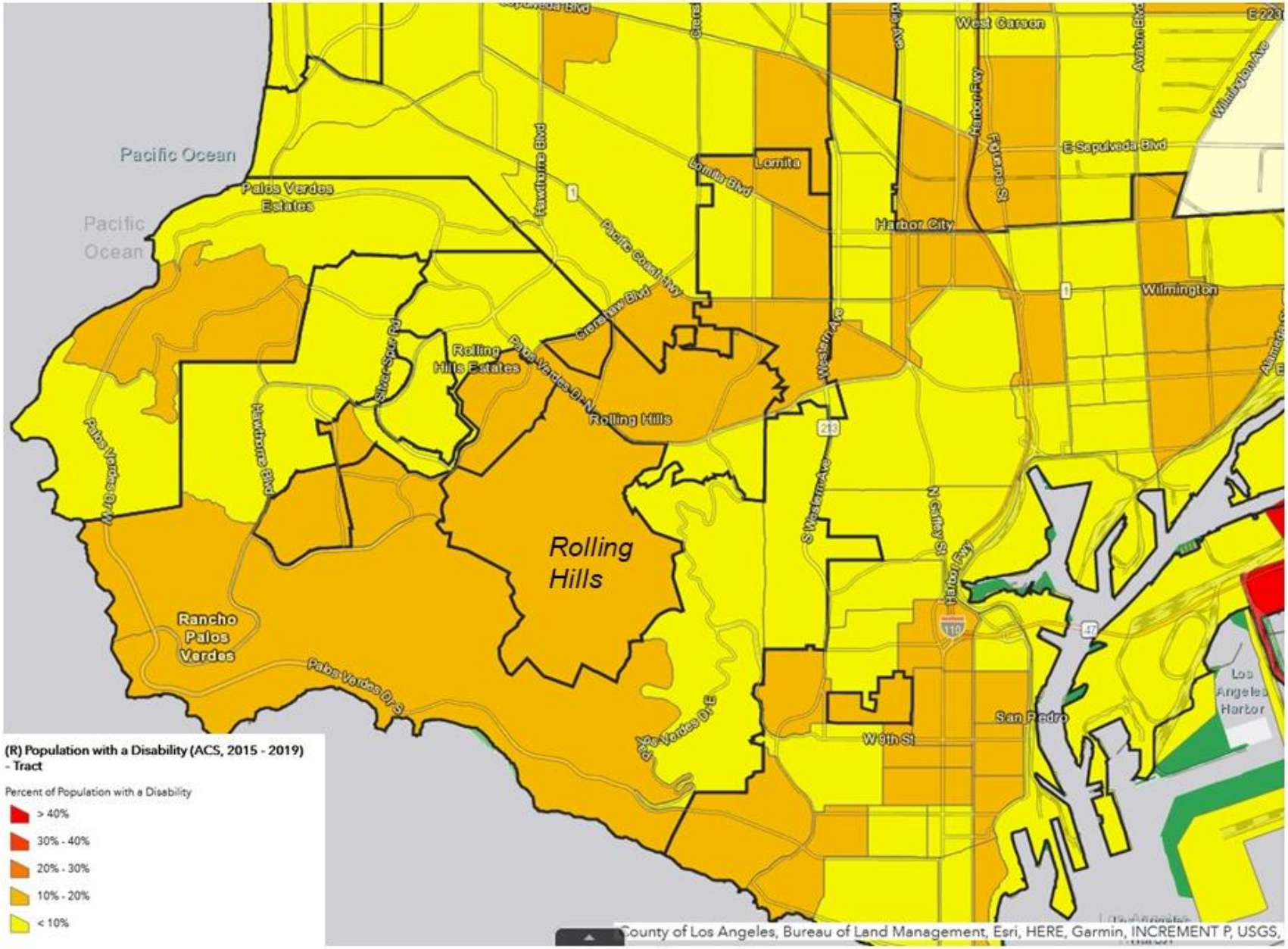


Figure A-3: AFFH Percentage of Residents with a Disability

Familial Status

The federal Fair Housing Act prohibits discrimination on the basis of familial status. This refers to the presence of children in a household, regardless of the relationship of the child to the adult members of the household. It also includes pregnant women and persons in the process of obtaining legal custody of a child. Housing that is exclusively reserved for seniors is exempt from these requirements.

Examples of familial status discrimination include refusing to rent to someone because they have a child or are a single parent, evicting a tenant if they have a child, or requiring families with children to live in a specific part of a multi-family building. Advertising that prohibits children also is prohibited.

Relative to Los Angeles County as a whole, Rolling Hills has about the same percentage of married couples with children but much lower percentages of single parent households. The 2015-2019 ACS indicated there are five single parent female households with children in Rolling Hills. Despite the small number, single parent households may have special needs due to having only one income, as well as greater needs for child care and other supportive services (see Housing Element Section 3.3.4). These obstacles can limit net income and prevent most single parents from being able to live in Rolling Hills.

Table A-3 shows familial status in Rolling Hills relative to Los Angeles County. The table compares the percentage of households in different categories, including families, married couples, other households, and non-families (including persons living alone).

Table A-3: Population by Familial Status, Rolling Hills and Los Angeles County

	Percent of Total in Rolling Hills		Percent of Total in Los Angeles County	
	2010	2020	2010	2020
Family Households	81.9%	78.7%	67.3%	66.4%
Married Couples	(75.2%)	(68.5%)	(44.5%)	(44.8%)
With children under 18 at home	*30.1%*	*17.8%*	*21.6%*	*18.8%*
Without children under 18 at home	*45.1%*	*50.7%*	*22.9%*	*26.0%*
Other Families	(6.7%)	(10.2%)	(22.9%)	(21.5%)
With children under 18 at home	*2.8%*	*3.1%*	*11.2%*	*8.8%*
Without children under 18 at home	*2.9%*	*7.1%*	*11.7%*	*12.7%*
Non-family Households	18.1%	21.3%	32.7%	33.6%

Sources: American Community Survey, Five Year Averages for 2010 and 2020. All percentages refer to the percentage of total households in Rolling Hills in the listed category. Because the categories are "nested", the numbers add up to more than 100 percent.

Relative to Los Angeles County as a whole, Rolling Hills has a much higher percentage of married couples. However, the percentage of married couples with children at home is about the same as the countywide average, and has declined substantially since 2010. More than half of the city's households are married couples with no children living at home, compared to 26 percent countywide. Only 10 percent of the city's households are "other" families (mostly single parent households), which is less than half the countywide average. Rolling Hills also has a far smaller percentage of non-family households than Los Angeles County, representing 21 percent of the city compared to 34 percent countywide. The city's demographics are indicative of a relatively stable, older population with smaller households than the county as a whole.

Figure A-4 shows familial status in Rolling Hills and surrounding areas. As the map indicates, the entire Palos Verdes Peninsula is in the same category as Rolling Hills, which corresponds to 80 percent or more of all children living in married couple households. The rate is considerably lower in adjacent cities in Los Angeles County but is still at least 60 percent in most of the South Bay cities. Rates below 60 percent occur in some of the census tracts in the Harbor area of Los Angeles, including San Pedro. Rates below 60 percent are also found beyond the South Bay, in locations such as Compton, Inglewood, Carson, Northern and Central Long Beach, and South Central Los Angeles. These are generally lower resource areas, with higher rates of poverty and unemployment, and lower rates of home ownership.

Income Level

Activities funded by federal community development and housing programs are typically designed to benefit low- and moderate-income (LMI) persons. For example, activities qualify for Community Development Block Grant (CDBG) funding if they benefit the residents of a primarily residential area where at least 51 percent of the residents are low- and moderate-income. Accordingly, HCD has used Census income data to map these areas by Census block group. This is shown in Figure A-~~4~~5.

The Figure illustrates that there are no LMI areas in Rolling Hills or in any of the adjacent communities on the Palos Verdes Peninsula. Fewer than 25 percent of Rolling Hills' residents are LMI. While there are a few block groups in Rancho Palos Verdes that are 25-50 percent, none exceed 51 percent. There are multiple LMI block groups in San Pedro and the Harbor neighborhoods east of the Palos Verdes Peninsula. There are also LMI areas in Lomita and Torrance to the north.

Figure A-~~5~~6 shows median income by Census block group. The Palos Verdes Peninsula is one of the most affluent parts of Los Angeles County, with Rolling Hills among the highest income census tracts in the County.

Figure A-7 shows median income for a larger geographic area, including most of the urbanized part of Los Angeles and Orange Counties. At the regional level, the Palos Verdes Peninsula stands out as an affluent area with incomes above $100,000. The Beach cities of Manhattan, Hermosa, and Redondo Beaches are also in this category, as are numerous census tracts on the west side of Los Angeles, the base of the San Gabriel Mountains, and Orange County. The lower income areas are generally located in central and south Los Angeles County, East Los Angeles, the southeast part of the San Fernando Valley, and the older suburbs in Orange

County. Many of these areas include high concentrations of persons of color who historically faced discrimination in the housing market.

Comparative income data between the city and region is shown in Table A-4. As the table indicates, Rolling Hills has a substantially higher income profile than the county, with well over half of its population earning over $200,000 a year, compared to 11 percent in the county as a whole. By contrast, only 15 percent of the city's households earn less than $50,000 a year, compared to 36 percent countywide. However, it is notable that the percentage of households in Rolling Hills earning less than $25,000 a year grew from 4.5 percent of the population in 2010 to 6.4 percent in 2020. This is likely due to the growing number of households aging in place and living on fixed incomes. Countywide, the percentage of households in this category declined over the decade, from 24 percent to 18 percent.

Table A-4: Household Share by Income, Rolling Hills and Los Angeles County

	Percent of Residents by Income in Rolling Hills		Percent of Residents by Income in Los Angeles County	
	2010	2020	2010	2020
Less than $10,000	1.5%	1.5%	6.8%	5.5%
$10,000-$14,999	0.7%	2.7%	6.1%	4.6%
$15,000-$24,999	2.3%	2.2%	11.1%	7.8%
$25,000-$34,999	4.8%	4.7%	9.7%	7.6%
$35,000-$49,999	2.5%	4.5%	13.5%	10.7%
$50,000-$74,999	4.9%	3.3%	17.4%	15.8%
$75,000-$99,999	4.9%	3.5%	11.7%	12.3%
$100,000-$149,999	14.1%	12.0%	12.8%	16.3%
$150,000-$199,999	11.0%	12.0%	5.3%	8.2%
$200,000 or More	53.3%	53.6%	5.5%	11.1%
Median Income	$219,688	$250,000+	$52,684	$71,358

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

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

Racially/ethnically concentrated areas of poverty –or R/ECAPs—are census tracts identified by HUD with a majority non-White population (greater than 50 percent) and poverty rates that exceed 40 percent or are three times the average tract poverty rate for the metropolitan area, whichever is lower. Figure A-~~8~~6 shows the location of R/ECAP areas in southern Los Angeles County, including the City of Los Angeles.

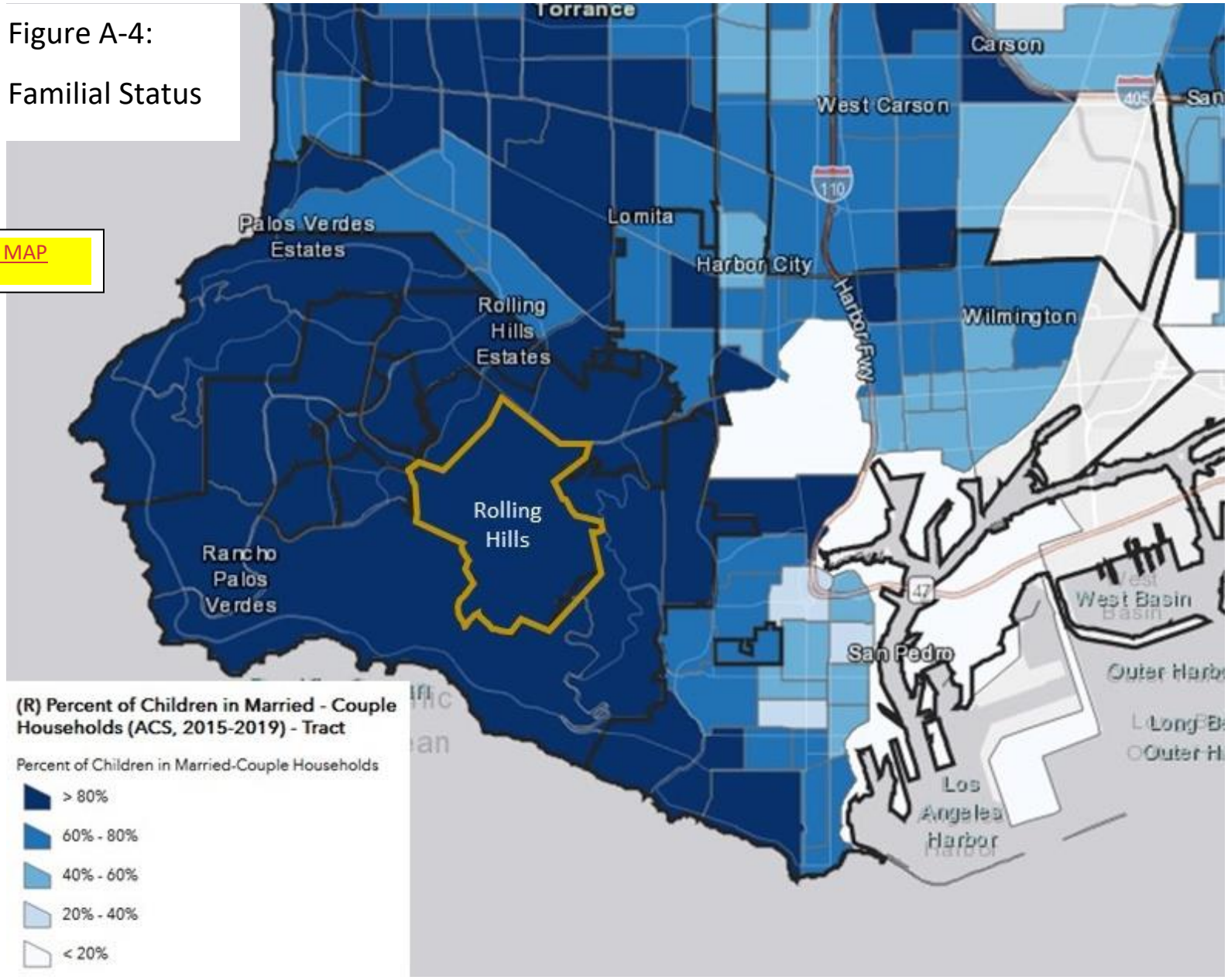
The largest concentration of R/ECAP areas in the County are in and around Downtown Los Angeles, the neighborhoods south of Downtown, and a few tracts in the Harbor area and Long Beach. There are no R/ECAP areas on the Palos Verdes Peninsula.

HCD also has identified "racially concentrated areas of affluence" (RCAAs). These are areas that exhibit both high concentrations of White residents and high concentrations of wealth. With a population that is 70 percent White, Non-Hispanic and a median income of over $250,000, all of Rolling Hills is considered an RCAA. Large areas of Rancho Palos Verdes, Rolling Hills Estates, and Rancho Palos Verdes also meet the RCAA criteria. Other parts of Los Angeles County considered to be RCAAs include Malibu, Santa Monica, Bel Air/ Brentwood, Westwood, Beverly Hills, and adjacent parts of the West Side, as well as La Canada-Flintridge and several other outlying communities.

Figure A-4:

Familial Status

NEW MAP



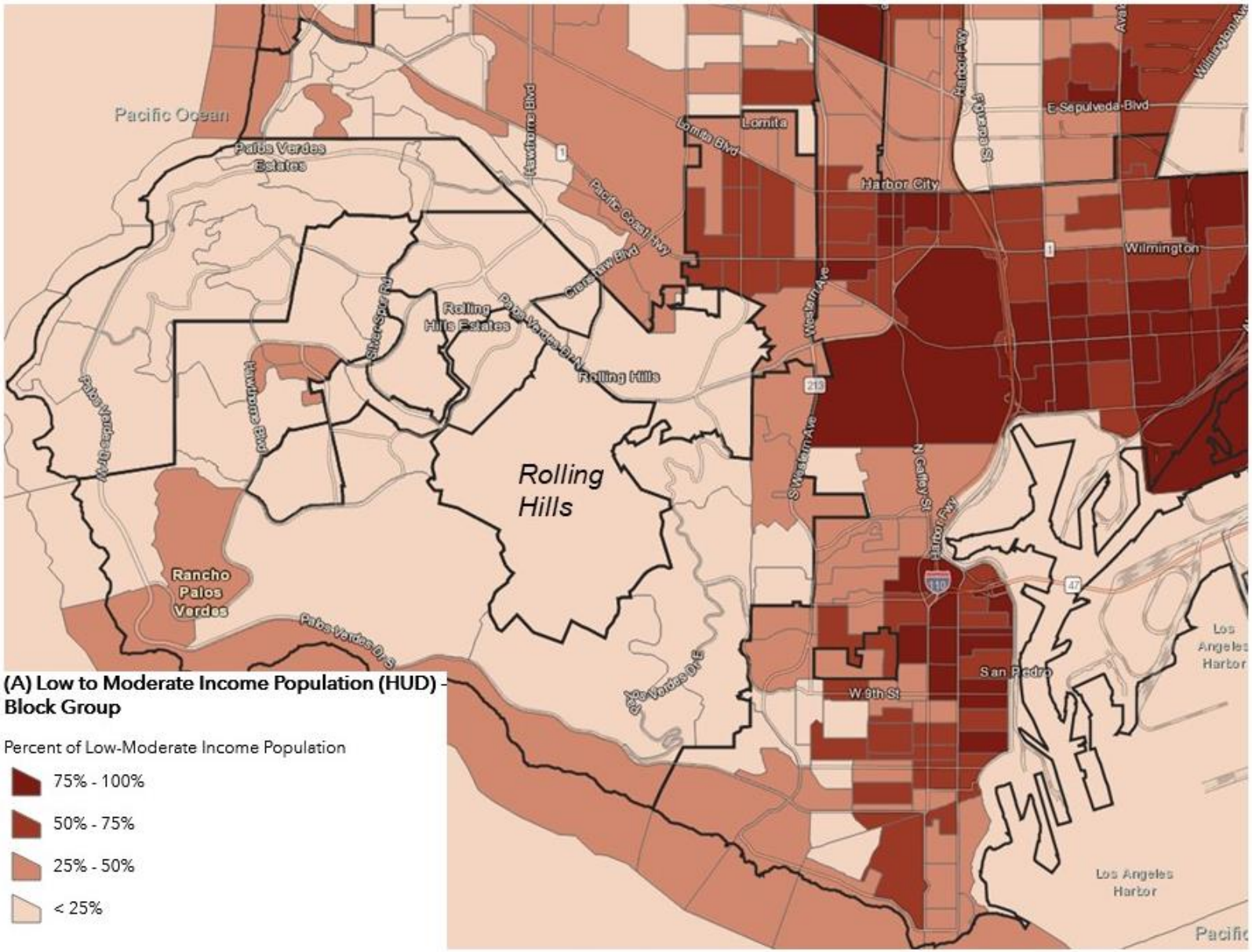


Figure A-5: Low-Moderate Income Areas (LMIs)

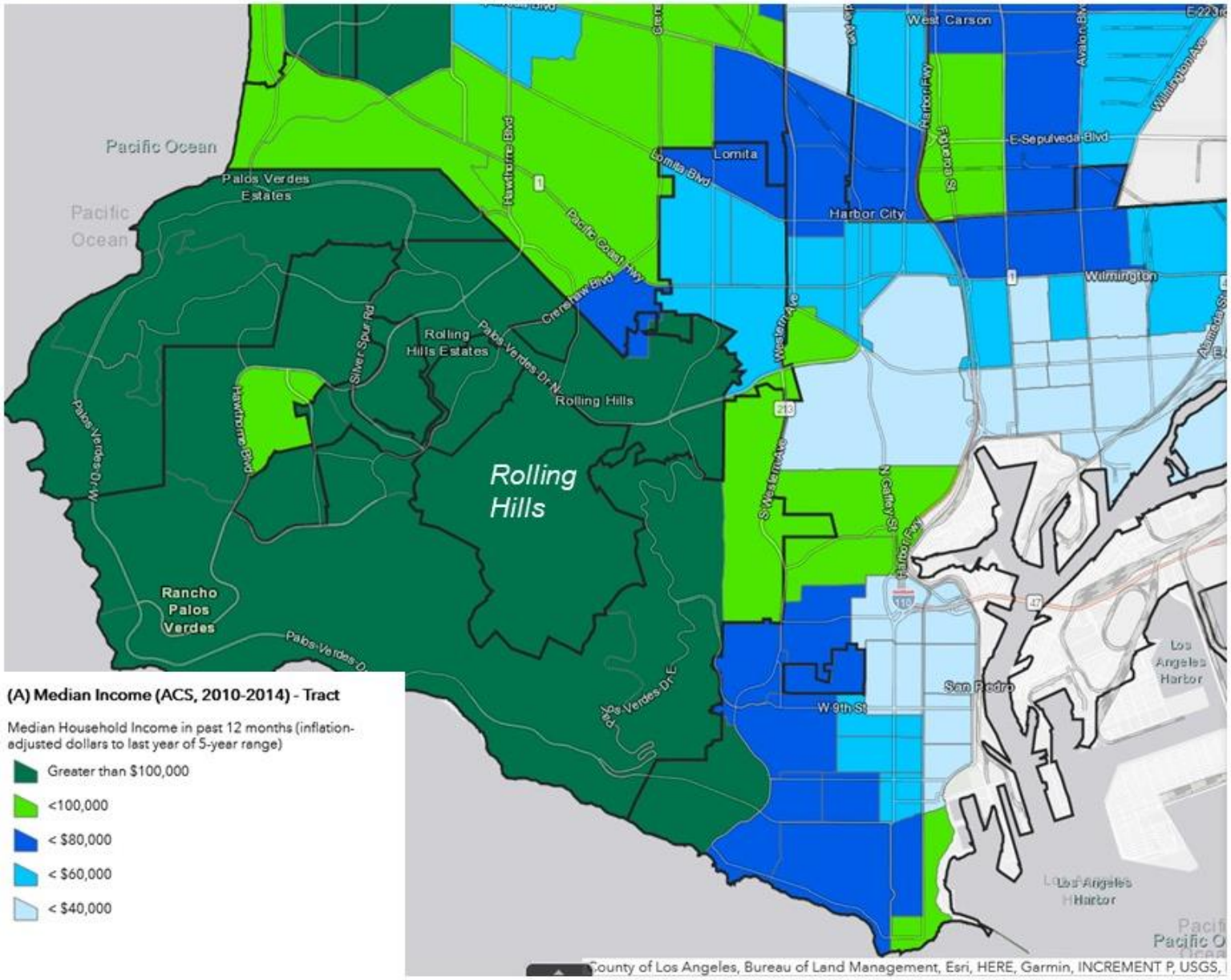


Figure A-6: Median Income by Census Tract Block Group

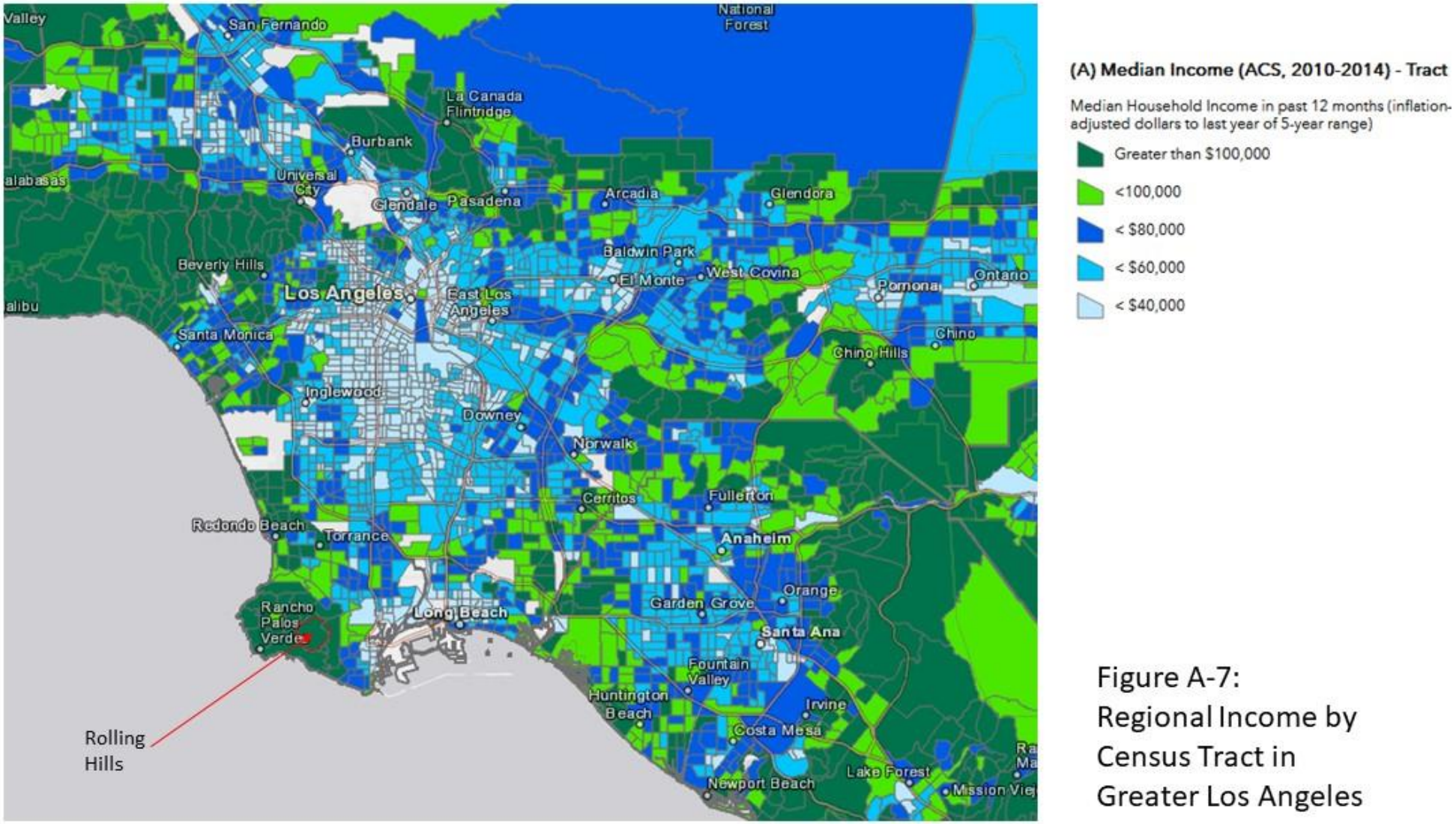


Figure A-7: Regional Income by Census Tract in Greater Los Angeles

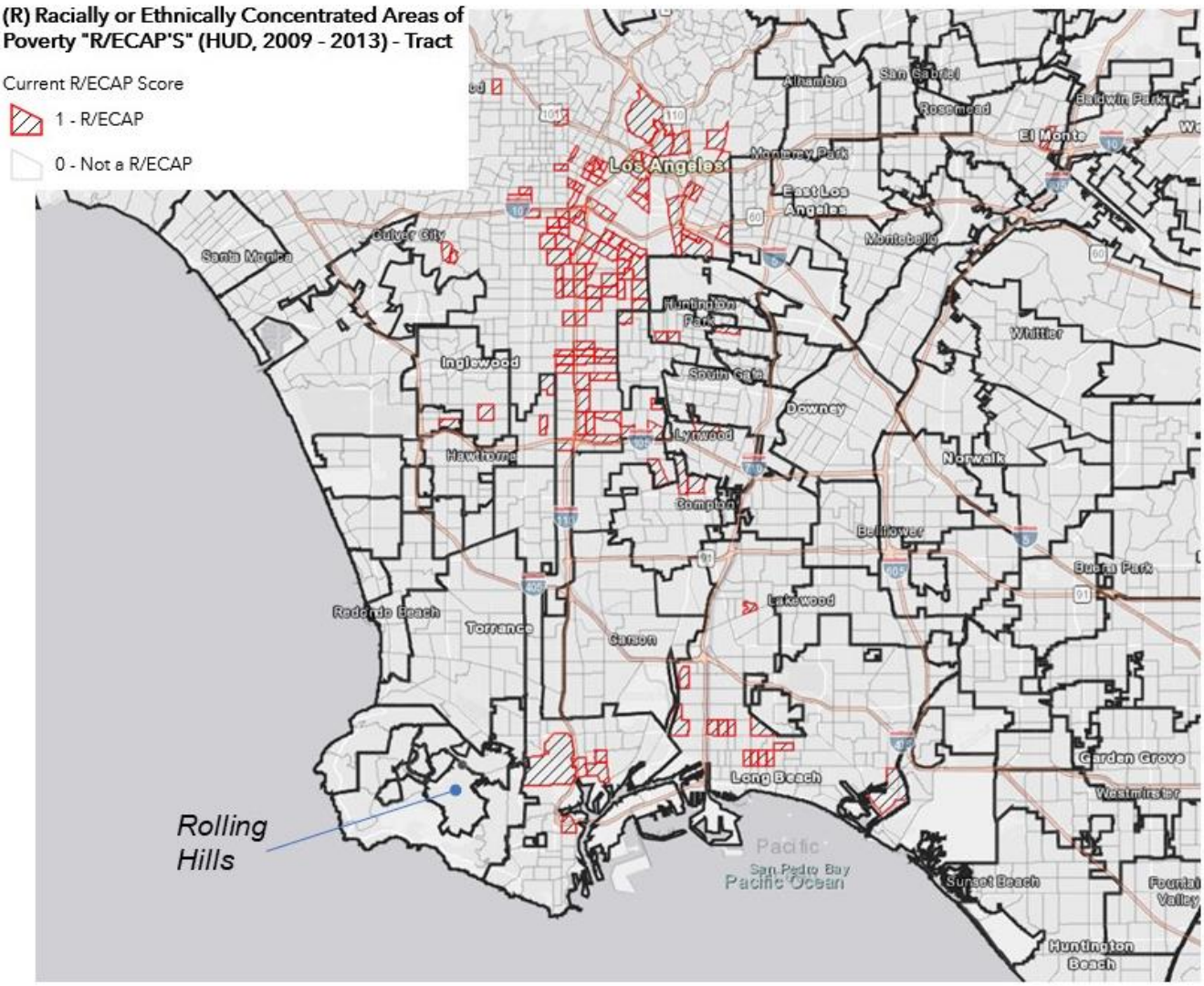


Figure A-8: Racially and Ethnically Concentrated Areas of Poverty (R/ECAP)

Historic Context

Like many communities in Southern California, Rolling Hills reflects cultural and social norms of the era in which the city was founded and initially developed. These norms predated the Fair Housing Act and civil rights movement and included practices that excluded certain racial and ethnic groups from purchasing property.

As Table A-5 indicates, Rolling Hills is almost exclusively comprised of single family homes. Even between 2010 and 2020, the composition of the City's housing stock did not change significantly. In Los Angeles County, fewer than half of the housing units are single family detached homes and more than one-third are in multi-family buildings. The county as a whole has seen the share of multi-family units go up over time. By contrast, the California Department of Finance reports that 99.9 percent of the dwelling units in Rolling Hills are single family homes.

Table A-5: Housing Units by Type, Rolling Hills and Los Angeles County

	Number/Percent of Total in Rolling Hills		Number/Percent of Total In Los Angeles County	
	2010	2020	2010	2020
Single Family Detached	715 *99.9%*	718 *99.9%*	1,717,448 *49.9%*	1,732,045 *48.2%*
Single Family Attached	0	0	228,560 *6.6%*	234,107 *6.5%*
2-4 units	0	0	282,178 *8.2%*	295,700 *8.2%*
5+ units	1 *0.01%*	1 *0.01%*	1,156,648 *33.6%*	1,270,425 *35.4%*
Mobile Homes	0	0	58,253 *1.7%*	58,297 *1.6%*
TOTAL	**716**	**719**	**3,443,087**	**3,590,574**

Source: California Dept of Finance Table E-5, 2010 and 2020.
Note: (*) The State's data indicates that there is a building with five or more units in Rolling Hills. This is incorrect, as there are no multi-family units in Rolling Hills at this time.

The history of Rolling Hills is linked to broader early 20th Century efforts to develop the 16,000-acre Palos Verdes Peninsula as a master planned community. Prior to 1910, the entire area was farm and ranchland. Several development concepts were proposed in the 1910s and 20s, including a plan to divide the peninsula into large estates (Vanderlip, 1914) and the "Palos Verdes Project," which eventually became the City of Palos Verdes Estates. Long before Rolling Hills was subdivided, the Peninsula had gained a reputation as the "Riviera of America" and was renowned as an exclusive and beautiful place to live.[1]

A.E. Hanson became manager of the Palos Verdes Corporation in 1931. He laid out the boundaries of a development named Rolling Hills, just beyond the boundaries of the Palos Verdes Project. The community was initially marketed to residents of Los Angeles and Beverly Hills as 10 to 50 acre "dude ranches."[2] In 1936, it was reimagined as an equestrian community of one- to five-acre homesites. The initial development included 100 homesites on 600 acres. All homes were required to be one-story ranches, painted white, a requirement that remains in place today. The Covenants, Codes, and Restrictions (CC&Rs) were a strong part of the community's appeal, as they assured maintenance and uniformity throughout the years.

Rolling Hills was subdivided by a single large owner. In that respect, it is more akin to a large residential subdivision, rather than a traditional city or town with multiple land uses, developers, and housing types. Moreover, its first generation of housing consisted of modest one-story ranch-style homes, including homes smaller than 2,000 square feet. Multi-family housing was excluded from the community to retain its rural, equestrian character and to recognize what was

[1] *Morgan, Delane. The Palos Verdes Story, 1982*
[2] *Rolling Hills General Plan Land Use Element, 1990*

then a remote and rugged location with no services. As a community of small horse ranches with no sewer system, high fire danger, and private streets, construction of multi-family housing would not have made economic sense.

As the Palos Verdes Peninsula was built out at suburban densities in the 1950s and 60s, Rolling Hills retained its very low density zoning. Some of the adjacent cities on the Peninsula added multi-family housing, but the established lot pattern in Rolling Hills and its CC&Rs made this infeasible. In this respect, the CC&Rs had an exclusionary impact on the community. The City incorporated in 1957 to further protect its very low-density character. As this became a rarer commodity in southern Los Angeles County, real estate values increased substantially. Much of the original 1930s and 40s era housing stock was replaced with newer, larger housing with many more amenities. The city became a "location of choice" and became less affordable.

These changes were largely economic and driven by the dynamics of the private real estate market. They occurred after the passage of the Fair Housing Act and the era of redlining. However, the conditions were compounded by historic inequities in access to capital among racial monitories and a legacy of discriminatory lending practices in the United States. Housing opportunities for lower income households have not historically existed in the city. The city's identity and history is rooted in its low density, rural character and equestrian heritage.

Fair housing solutions that reflect the City's history and character can and should be pursued. These include creating housing opportunities on the recently rezoned Rancho Del Mar site, and encouraging greater production of accessory dwelling units in the community. They also include enforcement of fair housing laws and increased awareness of fair housing rights and practices, as well as the history of housing practices in California.

Access to Opportunity

California HCD and the California Tax Credit Allocation Committee (TCAC) convened a task force to advance fair housing through research and policy recommendations. One of the products of this effort was a series of "opportunity maps" that identify resource levels across the state. The intent of these maps is to improve the eligibility of "high resource areas" for low-income housing tax credit funding. Improving access to these funds makes it more viable to build affordable housing in these areas.

The opportunity maps depict composite data on environmental conditions (vulnerability to pollution, etc.), economic conditions (poverty, job proximity, home values), and educational conditions (graduation rates, math and reading proficiency, etc.). HCD has made these maps available through its AFFH data viewer. Conditions in Rolling Hills are depicted in Figures A-97 through A-120. On all of these maps, each census tract is assigned a value based on its level of resources. The higher the value, the more positive the outcome.

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 chemicals. It does not refer to natural environmental hazards such as wildfire and landslides.

Figure A-97 indicates that outcomes in Rolling Hills are positive, as the community does not have industrial land uses or major pollution sources. Rolling Hills has an environmental score of 0.97, which is close to the highest possible score of 1.0. All of the Census tracts on the Palos Verdes Peninsula have scores of 0.75 or greater. Rolling Hills Estates also receives a 0.97 rating, while Rancho Palos Verdes varies from 0.82 to 0.98. Just two miles east of the city limits, near the Phillips 66 refinery, the environmental score is 0.03. Refineries and heavy industrial uses along the 110 Freeway and in the Port of Los Angeles vicinity result in low environmental rankings in a number of Census tracts around San Pedro and Wilmington. Scores are also below 0.50 around the Zamperini Airfield in Torrance, and in parts of Downtown Long Beach.

The City also is in the highest-ranking category using the Cal EnviroScreen maps and is highly ranked on the Public Health Alliance of Southern California "Healthy Places Index." Environmental outcome values are also high in the other Peninsula cities. Exposure to environmental hazards is much higher along the freeways and in the Harbor area, where industrial uses and refineries are more prevalent.

TCAC Economic Outcomes

Figure A-108 shows economic outcomes in southern Los Angeles County. This is generally a measure of wealth and access to jobs. Rolling Hills and all of the Peninsula cities are in the highest category, reflecting high rates of home ownership, high home values, and high incomes. The census tracts to the east have more diverse ratings, with low ratings in Northwest San Pedro and Wilmington.

The TCAC Opportunity Score for Rolling Hills is 0.86, which is in the highest of the four quartiles shown on the opportunity map. Neighboring census tracts in Rolling Hills Estates and Rancho

Palos Verdes have comparable scores, generally ranging from 0.75 to 0.95. Just to the east, in the Harbor neighborhoods of Los Angeles, the economic index is as low as 0.04 in some census tracts. Areas of strongly positive and much less positive economic outcomes exist in close proximity in this area, a legacy of historic land use and development patterns. To the north of Rolling Hills, the City of Torrance has economic opportunity scores that are comparable to the Palos Verdes Peninsula, despite a more moderate-income profile. Torrance is predominantly White and Asian, while the Harbor neighborhoods are primarily Latino, an indication that race and ethnicity have influenced economic opportunity in the area.

TCAC Educational Outcomes

Educational outcomes are shown in Figure A-119. Rolling Hills is in highest quartile, with positive educational outcomes. The City's score is 0.96, on a scale of zero to 1.0. This reflects the community's high wealth and access to education. Adjacent neighborhoods in Rolling Hills Estates and Rancho Palos Verdes have identical scores, while scores in the beach cities to the north are even higher. Conversely, scores step down in several bands 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 ~~Less positive outcomes appear in the census tracts to the east, with the lowest outcomes in the San Pedro area and in the~~ neighborhoods around the Port of Los Angeles.

Transportation

Public transportation to and from Rolling Hills is poor and there is no transit service at all within the city limits. The Palos Verdes Peninsula Transit Authority operates buses along Palos Verdes Road North, which serve the northern edge of the city and provide service to the Peninsula's commercial centers as well as San Pedro. Connecting service is available along those routes to other transit systems (including the Metro Silver Line in San Pedro), providing connections to Los Angeles and other regional destinations. However, given the distance and travel time, these are not generally viable means of transport to workplaces. US Census data indicates that zero percent (0.0%) of the city's residents use public transit to commute to work.

Composite Opportunity Map

Figure A-120 is a composite of the TCAC analysis, taking the three above variables into consideration. The Figure affirms what is shown in Figures A-97, -108, and -119. Rolling Hills is a high-resource, high opportunity area, with positive environmental health indicators, positive economic outcomes for its residents, and access to quality education. Because of the city's small size, these opportunities are homogenously distributed across the community. The same conditions are found in the other Palos Verdes Peninsula neighborhoods, some of which have even higher composite scores than Rolling Hills.

Figure A-120 provides a more regional perspective than Figures A-97, -108, and -119. The pattern immediately evident on this map is that the coastal communities of Los Angeles County are almost all in the highest resource category. There is a swath of moderate and low resource neighborhoods extending from Downtown Los Angeles southward to the Port of Los Angeles. Areas extending from Central LA southward are highlighted on the map as having high segregation and poverty rates, corresponding with the lowest level of opportunity. Moving

further east, the pattern becomes more diffuse, with a patchwork of high, moderate, and low resource areas extending toward the San Gabriel Valley and Orange County.

The high opportunity ranking given to Rolling Hills was part of SCAG's rationale for assigning the city a large allocation in the 6th Cycle RHNA. The base number of units assigned to the city by SCAG was calibrated upward based on their "social equity adjustment," resulting in Rolling Hills' 45 units (compared to six units in 2013-2021). This reflects several mandated objectives of the RHNA methodology, including promoting socio-economic equity and balancing disproportionate household income distribution across the region.

As indicated earlier in this analysis, the Rancho Del Mar School site provides the best location to improve access to opportunity and affirmatively further fair housing within Rolling Hills. The site has the potential to improve economic outcomes for lower income households by providing affordable housing in a high-resource area.

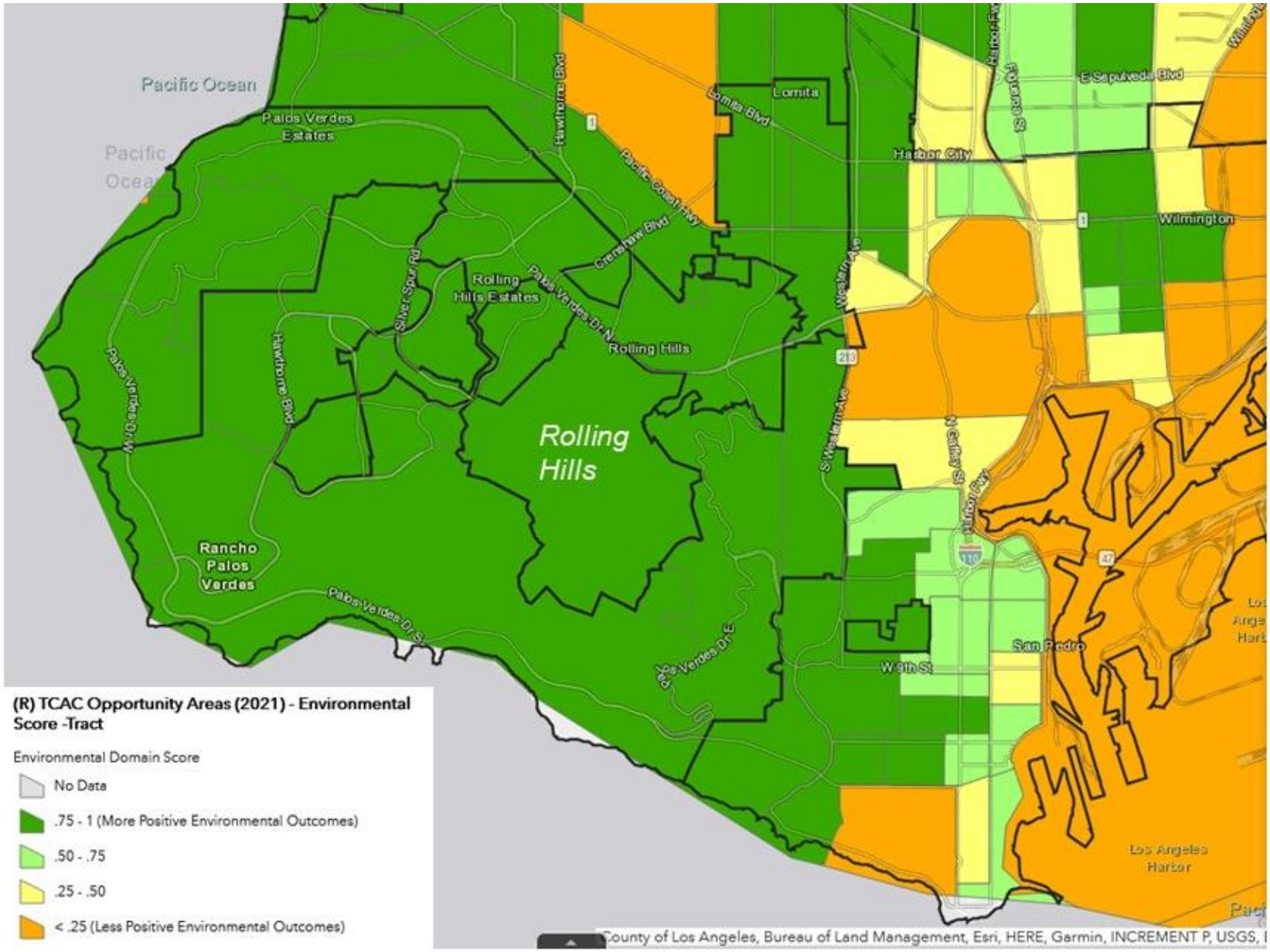


Figure A-9: Environmental Outcomes

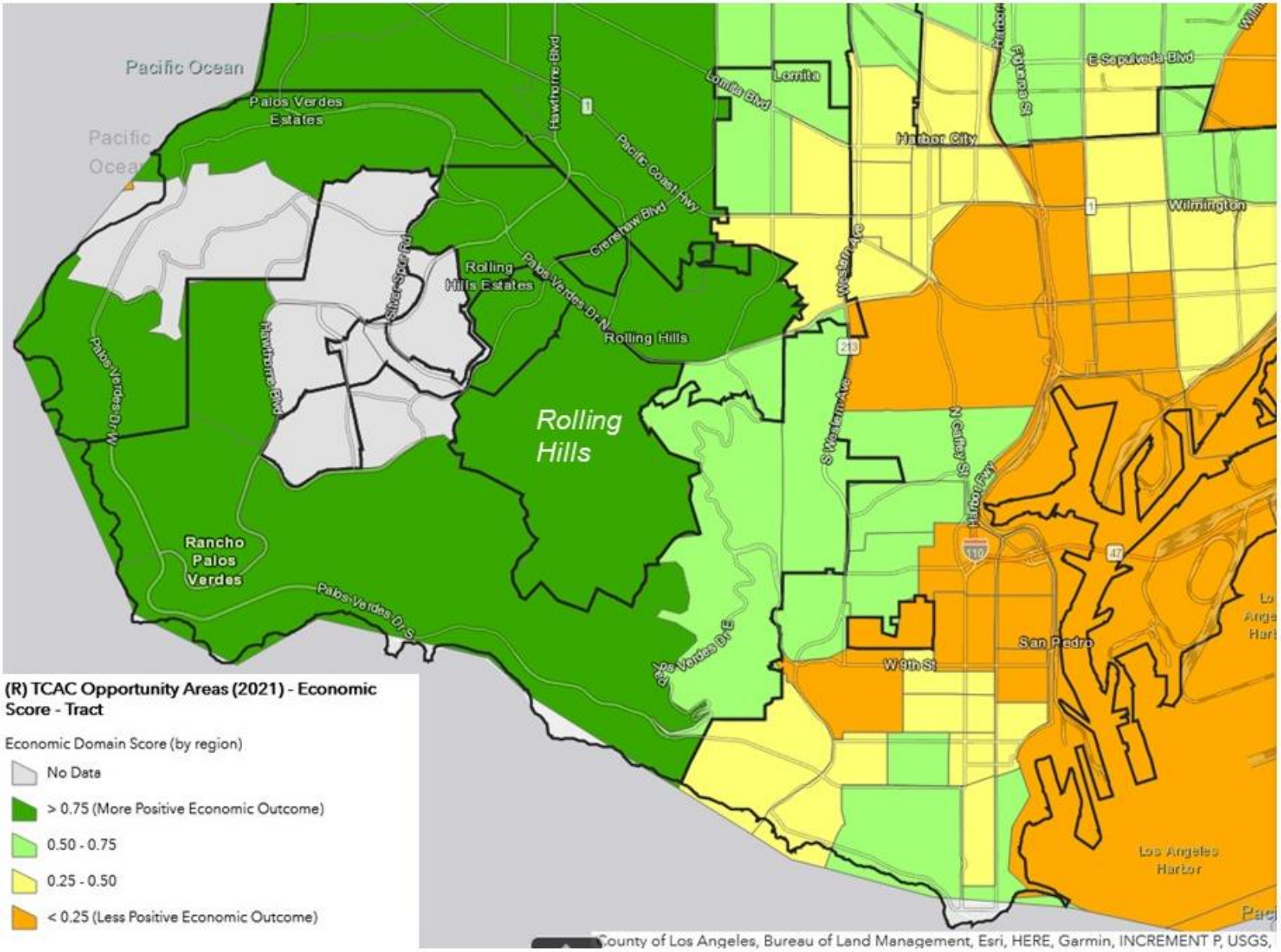


Figure A-10: Economic Outcomes

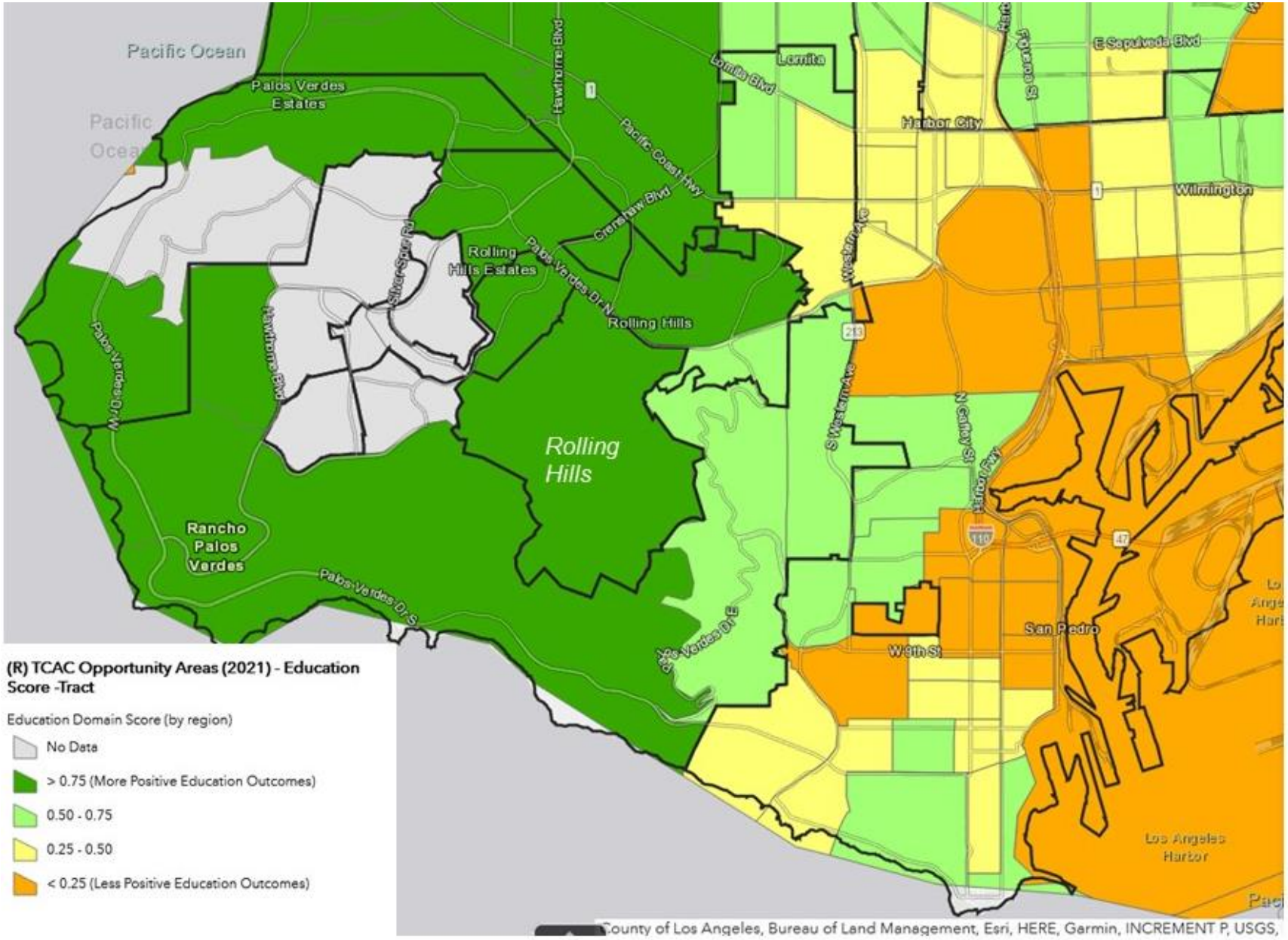
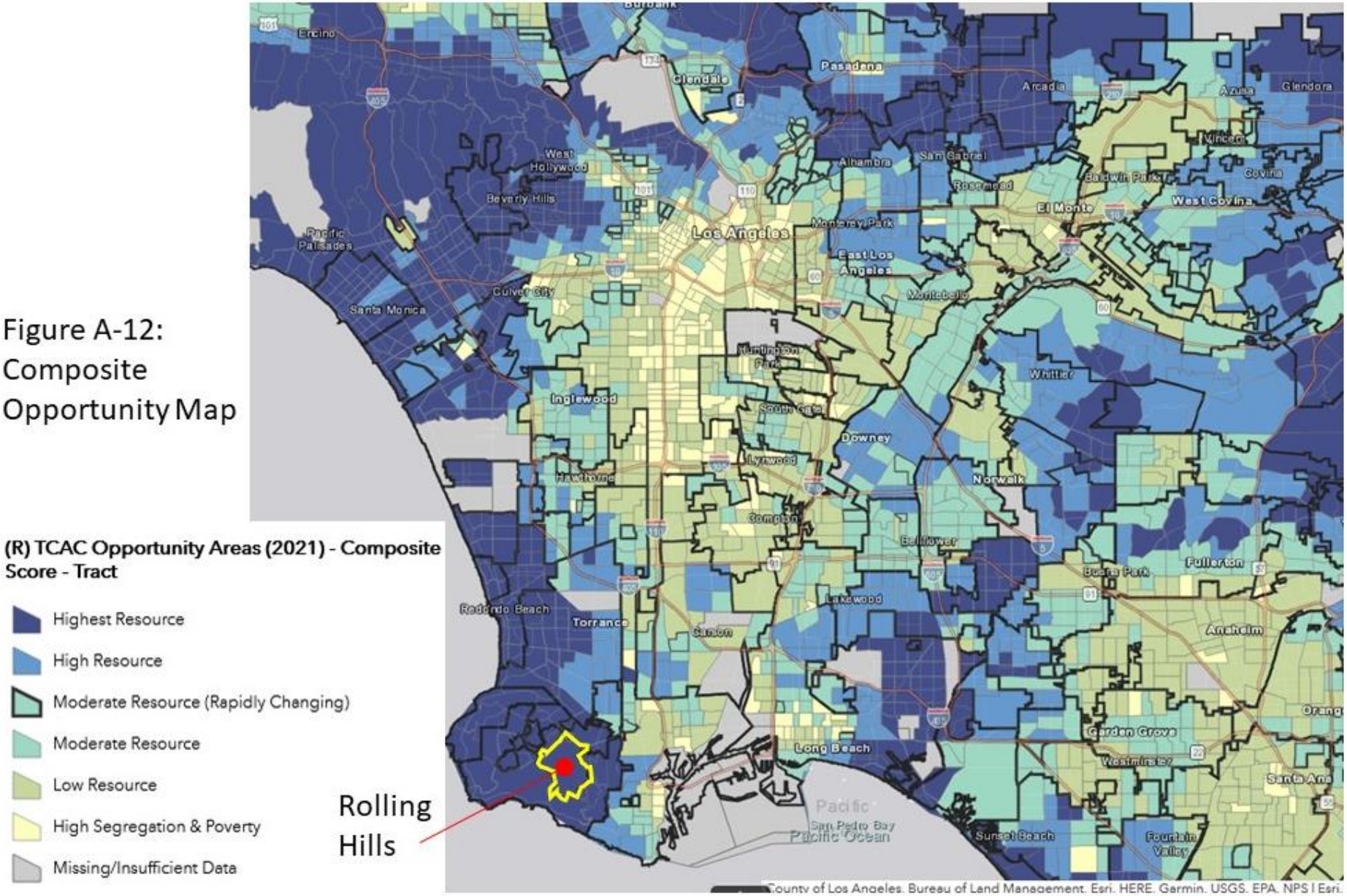


Figure A-11: Education Outcomes

Figure A-12: Composite Opportunity Map



Disproportionate Housing Needs

"Disproportionate housing needs" refer to conditions in which members of a protected class within a defined geographic area experience much higher housing needs than the population at large.[3] Following HCD guidance, the analysis to identify disproportionate needs considers cost burden, overcrowding, and substandard housing conditions. Much of this data also is contained in the Housing Element Needs Assessment (Chapter 3), but the focus here is on extremely low-income residents, tenure, and persons of color. As noted in earlier sections of this Appendix, the analysis for Rolling Hills is hampered by the small size of the community and the fact that it contains only one Census Block Group. The margin of error for American Community Survey (ACS) data for the city is high, and the number of residents in protected classes is small. Where available, maps are used to compare data for Rolling Hills with data for surrounding communities.

Tenure and Tenure by Race

Table A-6 shows tenure in Rolling Hills and Los Angeles County as a whole. Relative to the region, Rolling Hills has a much higher rate of homeownership. The rate exceeded 95 percent in 2020, compared to 46 percent regionally. As in the County, the percentage of renters increased slightly between 2010 and 2020, but the number remains very small.

Rates of home ownership often vary by race and ethnicity. Regionally and nationally, the rate of home ownership is substantially lower for Black/African-American households than it is for White households. This is not the case in Rolling Hills. The 2015-2019 ACS indicates that 100 percent of the Hispanic, Black, and multi-racial households in the city are homeowners. For White households, 95 percent are homeowners and 5 percent are renters. Among Asian households, 98 percent are homeowners and 2 percent are renters.

Table A-6: Housing Tenure in Rolling Hills and Los Angeles County

	Percent of Households in Rolling Hills		Percent of Households in Los Angeles County	
	2010	2020	2010	2020
Owners	96.9%	95.1%	46.9%	46.0%
Renters	3.1%	4.9%	53.1%	54.0%

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

[3] *The protected classes are race, color, religion, national origin, sex, familial status, and disability.*

Cost Burden

As noted in Chapter 3, a household is considered cost burdened if more than 30 percent of its income is spent on housing (including utilities). Figures A-131 and A-142 depict the incidence of cost burden for owners and renters in Rolling Hills and surrounding communities. Table 3.9 (in Chapter 3) indicates the percent of income spent on housing for homeowners with a mortgage, homeowners without a mortgage, and renters. Roughly 31 percent of the city's households are considered cost-burdened, but most have above moderate incomes.

The US Department of Housing and Urban Development publishes data on the number of households that are cost-burdened in each community using federally-defined income categories. This is referred to as the CHAS (Comprehensive Housing Affordability Strategy) data. According to the CHAS 2014-2018 data, there are 100 low- and very low-income households in Rolling Hills (i.e., earning 80 percent or less of the areawide median income [AMI]). These households include 83 who were cost-burdened, including 65 who were defined as being "severely" cost-burdened (spending more than half their incomes on housing).

CHAS data indicates that 78 of the cost-burdened lower-income households were homeowners and the remainder were renters. The relatively high number of cost-burdened low-income homeowners is likely associated with retired seniors on fixed incomes, who must still pay property taxes, utilities, insurance, HOA dues and other housing costs—even after their mortgages are paid off. These expenses may be several thousand dollars a month. In fact, the CHAS data indicates that there are 25 extremely low-income households in Rolling Hills (earning less than 30% of AMI), all of whom are homeowners. The most recent available CHAS data indicates that there are no extremely low-income renters in the city.

CHAS data identifies 10 very low-income renter households in the city (30-50% of AMI), along with 30 very low-income owners. Seventy-five percent of these households pay more than 30% of their incomes on rent.

As illustrated in Figures A-113 and A-142, the incidence of cost burden is somewhat lower in Rolling Hills than it is in adjacent communities, including those on the Palos Verdes Peninsula. Figure A-13, which is based on American Community Survey (ACS) data for 2015-2019, identifies Rolling Hills as being in the 20-40% overpayment interval for homeowners. In other words, between 20 and 40 percent of its owner-occupied households spend more than 30 percent of their incomes on housing. The city is surrounded on all sides by census tracts with rates in the 40-60% interval. This is not an indication that homes in Rolling Hills are more affordable, but rather a reflection of the length of residency and the large number of homeowners in Rolling Hills who have no mortgages. About 37 percent of the city's homeowners have lived in their homes for over 30 years. Rates of homeowner overpayment are higher in the San Pedro area of Los Angeles, several miles east of Rolling Hills and in lower income census tracts throughout Central Los Angeles County. On the other hand, the rate in Rolling Hills is comparable to many cities in the county, including Torrance, Carson, Palos Verdes Estates, and the Beach cities to the north.

Figure A-14, which is also based on ACS data for 2015-2019, identifies Rolling Hills as also being in the 20-40% overpayment interval for renters. However, this is based on a sample of a very small demographic, since there are only 27 renter households in the entire city. As Figure

A-14 indicates, the rate of overpayment is significantly higher in the portion of Rancho Palos Verdes located immediately east of the city, and in the portion of Rolling Hills Estates located immediately west of the city. There are also nearby tracts with overpayment rates that are less than 20 percent. On a regional basis, the percentage of renter overpayment in Rolling Hills is low. Most tracts in Los Angeles, Long Beach, and the larger suburban cities have rates in the 40 to 60 percent range. Rolling Hills renters tend to be more affluent, and are typically renting single family homes rather than apartments.

Cost-burden data is also shown in Table A-7 below. As the table indicates, most extremely low-income households in Rolling Hills were considered severely cost-burdened in both 2010 and 2020. Most lower income homeowners and many lower income renters (i.e., those earning 80 percent of areawide median or lower) were also cost-burdened. Rates of cost-burden were even higher in Rolling Hills than in the county as a whole. However, the data for Rolling Hills in Table A-7 is based on a very small number of households, leading to a high statistical margin of error (for instance there are only 10 lower income renter households in the city). At a countywide level, about 63 percent of all low-income homeowners and 75 percent of all low-income renters are cost-burdened.

Table A-7: Percentage of Cost-Burdened Households, Rolling Hills and Los Angeles County

	Percent of Households in Rolling Hills (*)		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%	78.8%	86.7%	66.3%	63.1%
Paying > 50%	61.2%	66.7%	44.3%	40.2%
Renters				
Paying >30%	100.0%	80.0%	73.3%	75.1%
Paying > 50%	0%	40.0%	43.0%	44.5%
Cost-burdened households earning less than 30% AMI (extremely low income)				
Owners				
Paying > 30%	100.0%	76.0%	74.7%	75.4%
Paying > 50%	100.0%	60.0%	62.4%	63.0%
Renters				
Paying > 30%	100.0%	0%	82.4%	81.7%
Paying > 50%	0%	0%	70.4%	70.2%

Sources: CHAS HUD User website, data for 2008-2012 and 2014-2018. Data for Rolling Hills indicates 4 lower income renter households in 2008-2012 and 10 lower income renter households in 2014-2018

Overcrowding

As noted in Chapter 3, a household is considered overcrowded it the housing unit it occupies has more than one person per room, excluding kitchens and bathrooms. As noted on page 3-11, only one percent of the city's households meet this definition. There are no households in the city that meet the definition of "severe" overcrowding, which is more than 1.5 persons per room. Moreover, the data indicates that none of the renter-occupied households in the city were overcrowded. There were six owner-occupied units with more than one person per room.

Figure A-1~~3~~5 shows this information spatially, illustrating that units on the Palos Verdes Peninsula are generally not overcrowded. All of the tracts in all four Peninsula cities have overcrowding rates below 8.2 percent, which is the statewide average. Units in the more urbanized areas to the east, with higher percentages of renters and smaller housing units, are more likely to be overcrowded. Tracts in the Wilmington and San Pedro areas have rates exceeding 20 percent in some cases. Further north, tracts in South Central Los Angeles, Compton, Southgate, Lynwood, Compton, and other more diverse and lower income communities have higher rates of overcrowding.

Table A-8 shows household overcrowding in Rolling Hills and the region.

Table A-8: Overcrowded Households, Rolling Hills and Los Angeles County

	Percent of Households in Rolling Hills		Percent of Residents in Los Angeles County	
	2010	2020	2010	2020
Owner Households				
Less than 1.0 persons per room	99.5%	99.4%	93.9%	94.3%
1.01-1.50 persons per room	0.5%	0.6%	4.6%	4.1%
1.51-2.00 persons per room	0	0	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

Table A-8 confirms that rates of overcrowding are much lower in Rolling Hills than in Los Angeles County, with no overcrowded rental units and only 0.5 percent of the owner-occupied units meeting the Census definition of overcrowding. Moreover, the data indicates almost no change between 2010 and 2020. By contrast, the countywide data shows that about 6 percent of owner-occupied units and 16 percent of rental units are considered overcrowded. In most cases, the percentages did not change significantly between 2010 and 2020.

Housing Problems

The HUD CHAS data indicates how many households in each community experience one of four specific housing problems—these problems are (a) lack of a complete kitchen; (b) lack of complete plumbing facilities; (c) overcrowding; and (d) severe cost burden (paying more than 50 percent of income on housing). According to CHAS data for 2014-2018, there are about 110 owner-occupied households in Rolling Hills and four renter households in Rolling Hills with one or more of these problems. Since all housing units in the city have kitchens and baths, and only six are overcrowded, the primary problem experienced is a severe housing cost burden. The CHAS data indicates there are 105 owner-occuped households with a severe housing cost burden. Most of these are lower-income senior households

Figure A-146 shows this data on a regional level. The rate of housing problems is higher in Rolling Hills than it is in the other Palos Verdes Peninsula cities, due to the high percentage of senior homeowners living on fixed incomes and paying substantial portions of their incomes on housing. However, the city's rate is comparable to other affluent areas on the west side of Los Angeles and is lower than in the neighborhoods and communities immediately south and immediately east of Los Angeles.

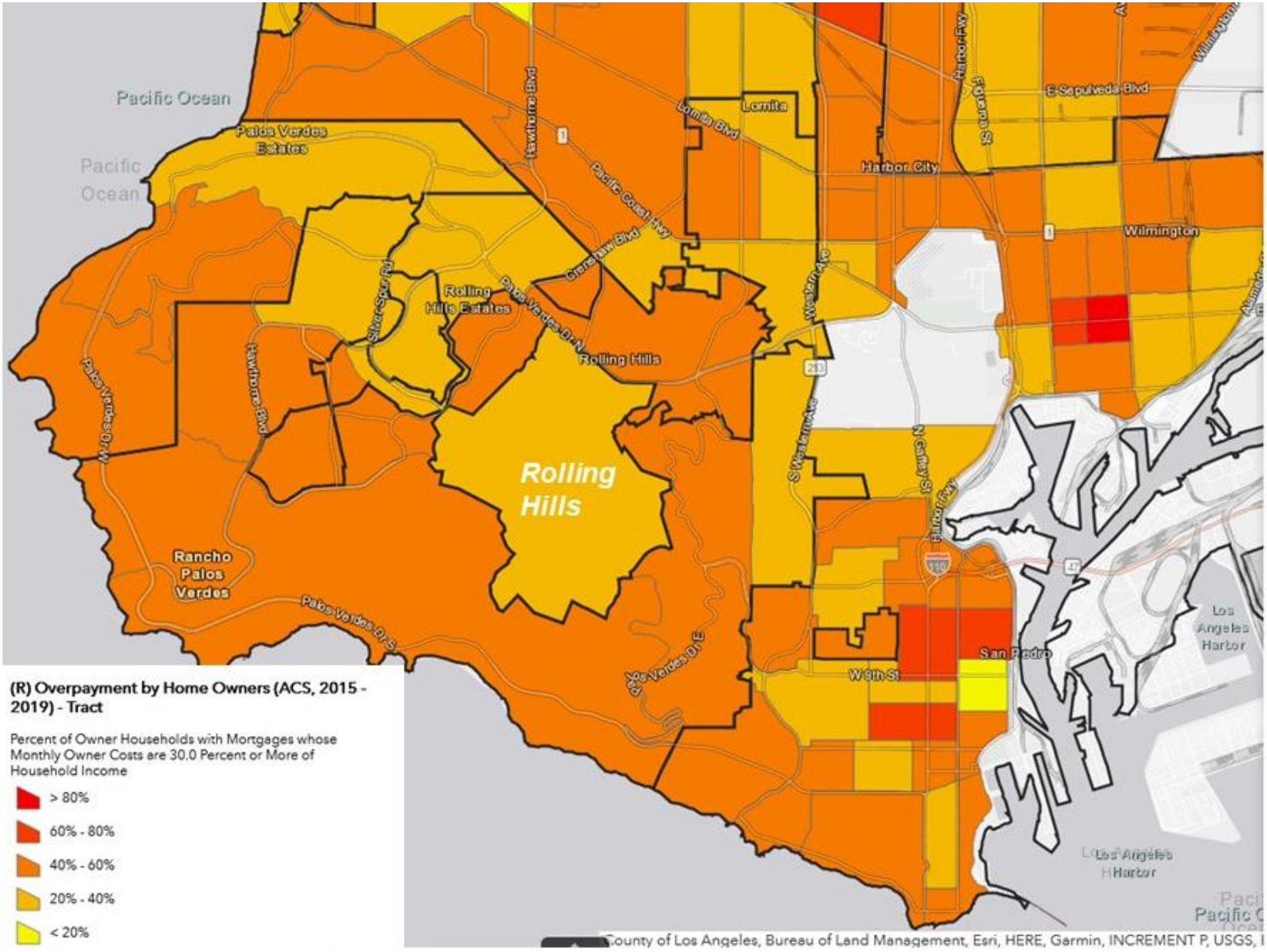


Figure A-13: Cost-Burdened Homeowners

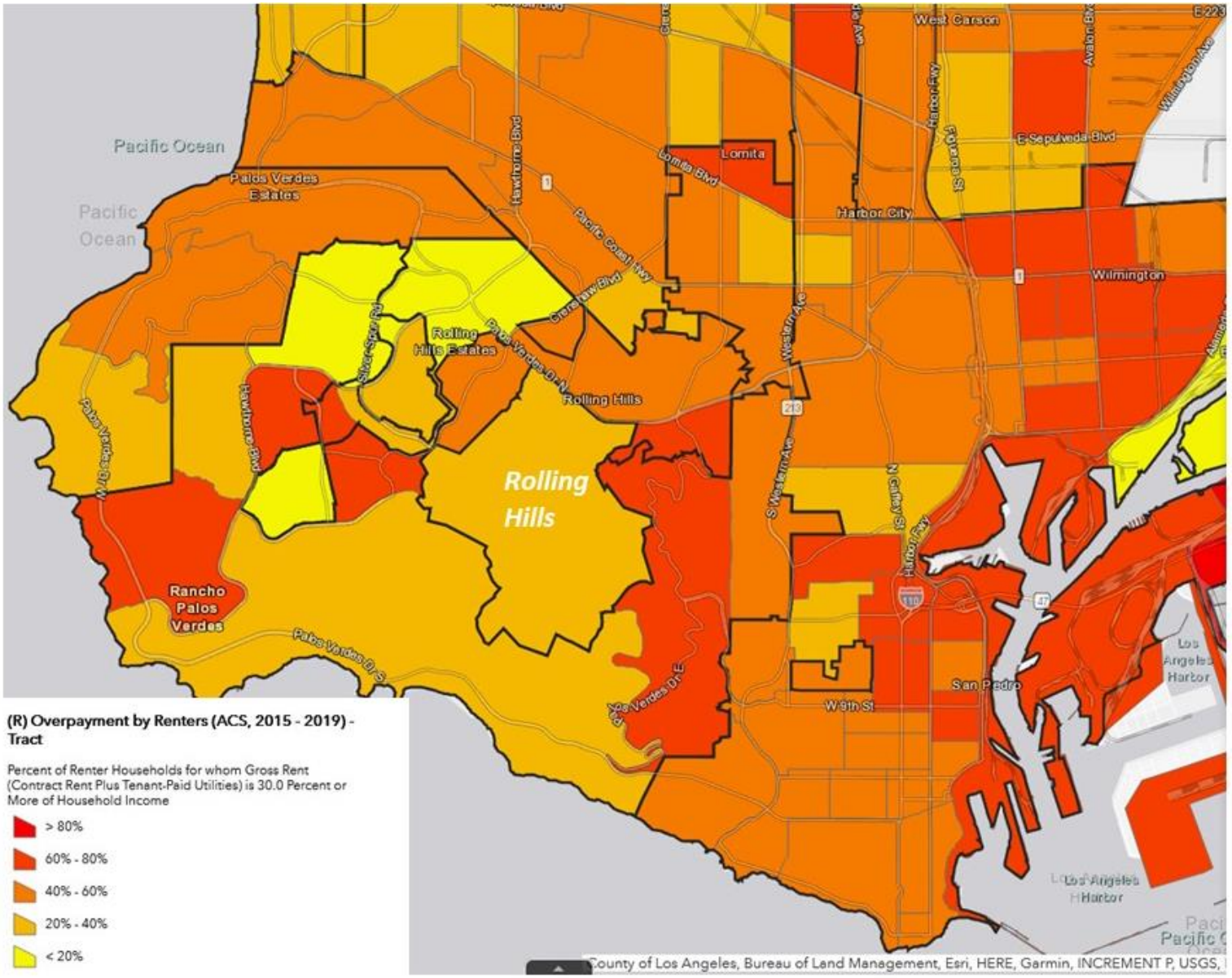


Figure A-14: Cost-Burdened Renters

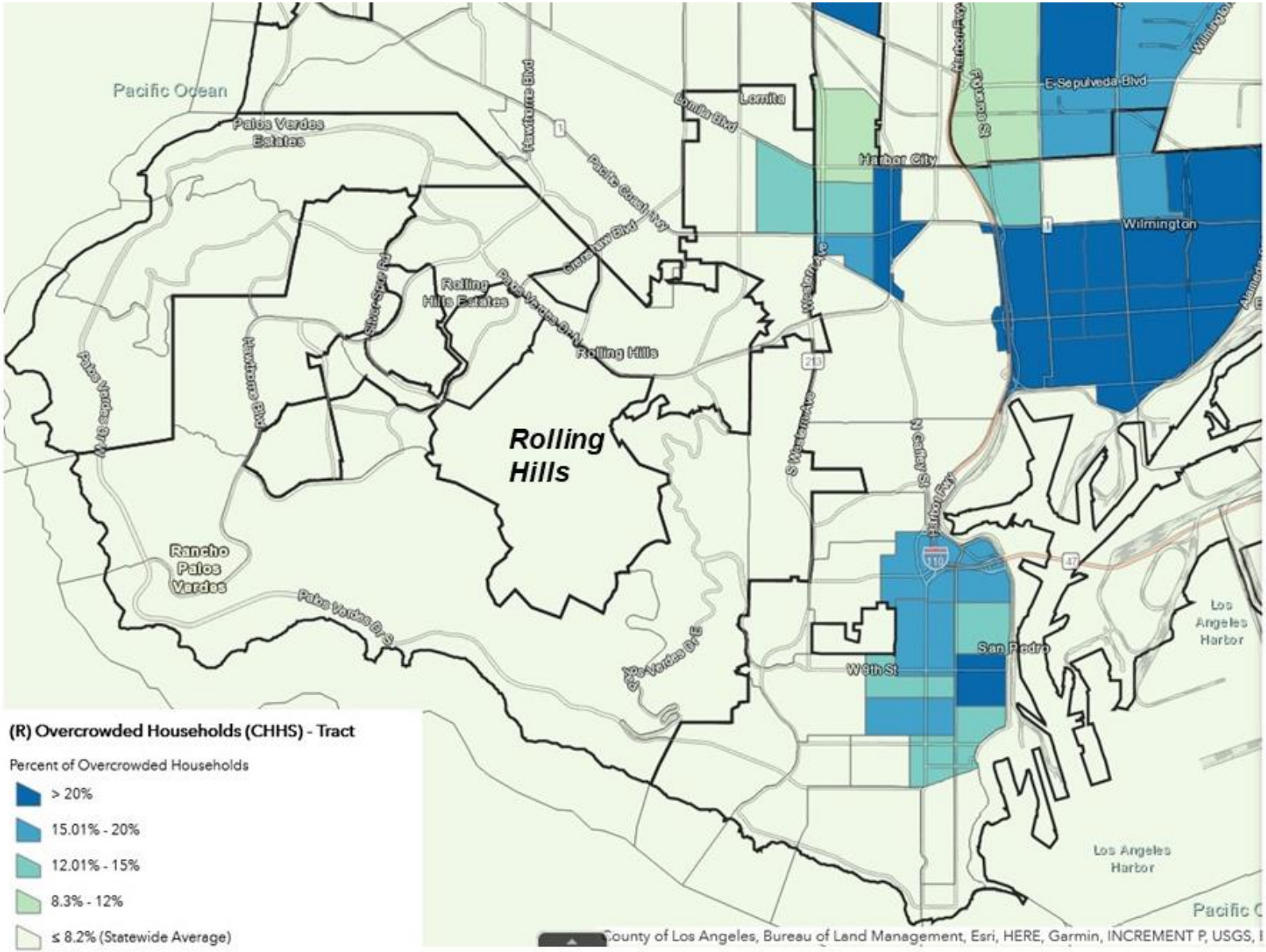
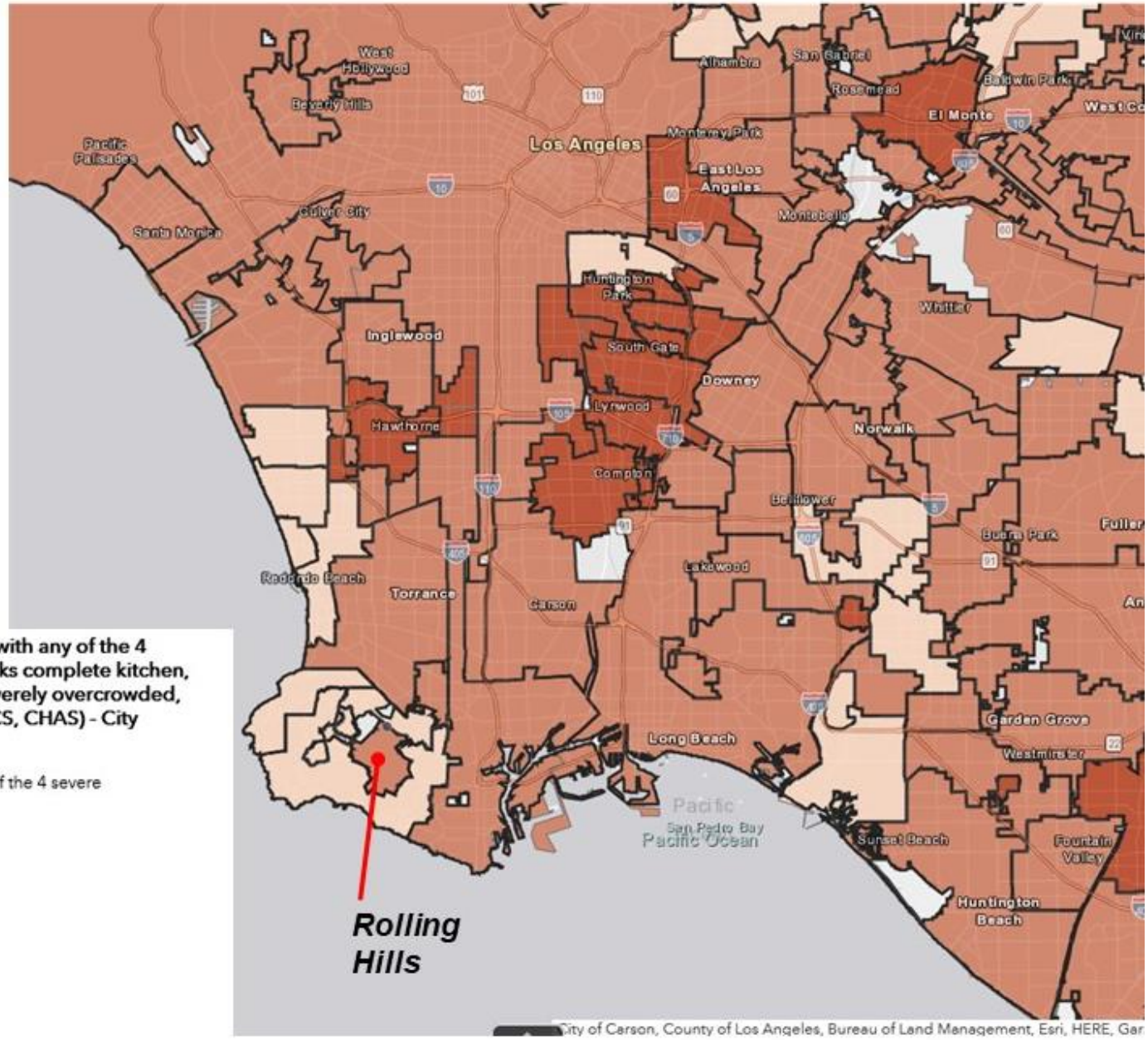


Figure A-15: Incidence of Overcrowding

Figure A-16: Percent of Households with one or more "Severe" Housing Problems



(A) Percent of all households with any of the 4 severe housing problems (lacks complete kitchen, lacks complete plumbing, severely overcrowded, severely cost-burdened) - (ACS, CHAS) - City Level

Percent of all households with any of the 4 severe housing problems

- > 80%
- 60% - 80%
- 40% - 60%
- 20% - 40%
- < 20%

Displacement Risk

Figure A-175 illustrates "sensitive communities" in the southern half of Los Angeles County. These are communities with relatively high risks of displacement due to rising rents and a lack of tenant protection. None of the Palos Verdes Peninsula cities are shown as vulnerable. On the other hand, most of the tracts in the City of Los Angeles, including the San Pedro and Wilmington communities, are shown as vulnerable. The entire South-Central area of Los Angeles is vulnerable, as are nearby communities such as Compton, Inglewood, and Hawthorne.

As depicted on Figure A-175, vulnerable communities are communities in which at least 20 percent of the population is low income and two or more of the following conditions are present:

- 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

These conditions are not present in Rolling Hills.

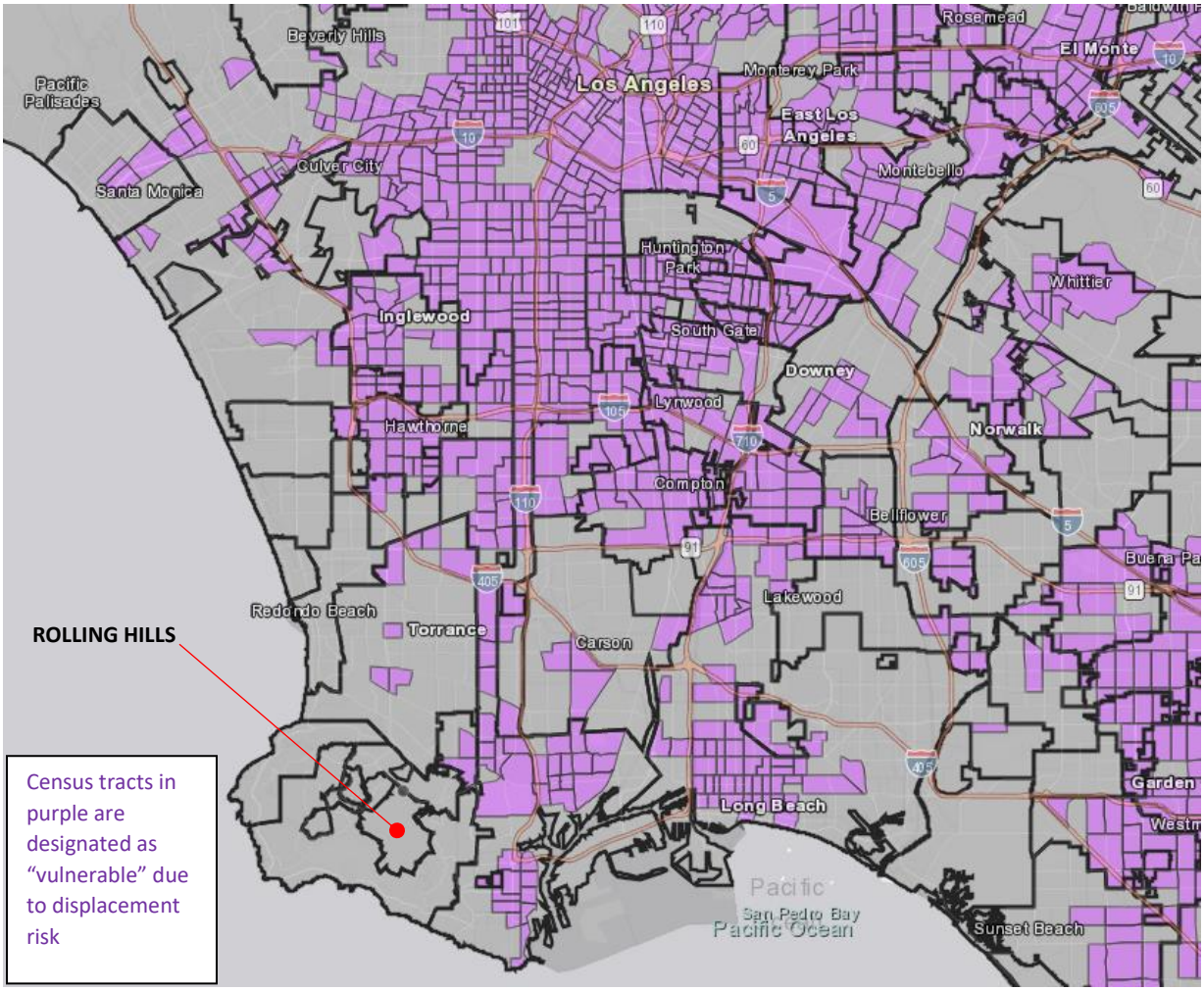


Figure A-175: Sensitive Communities

Due to the very high percentage of home ownership, Rolling Hills does not face displacement risk. Displacement may occur due to other reasons, such as an aging household unable to maintain their property or afford the modifications needed to age in place.

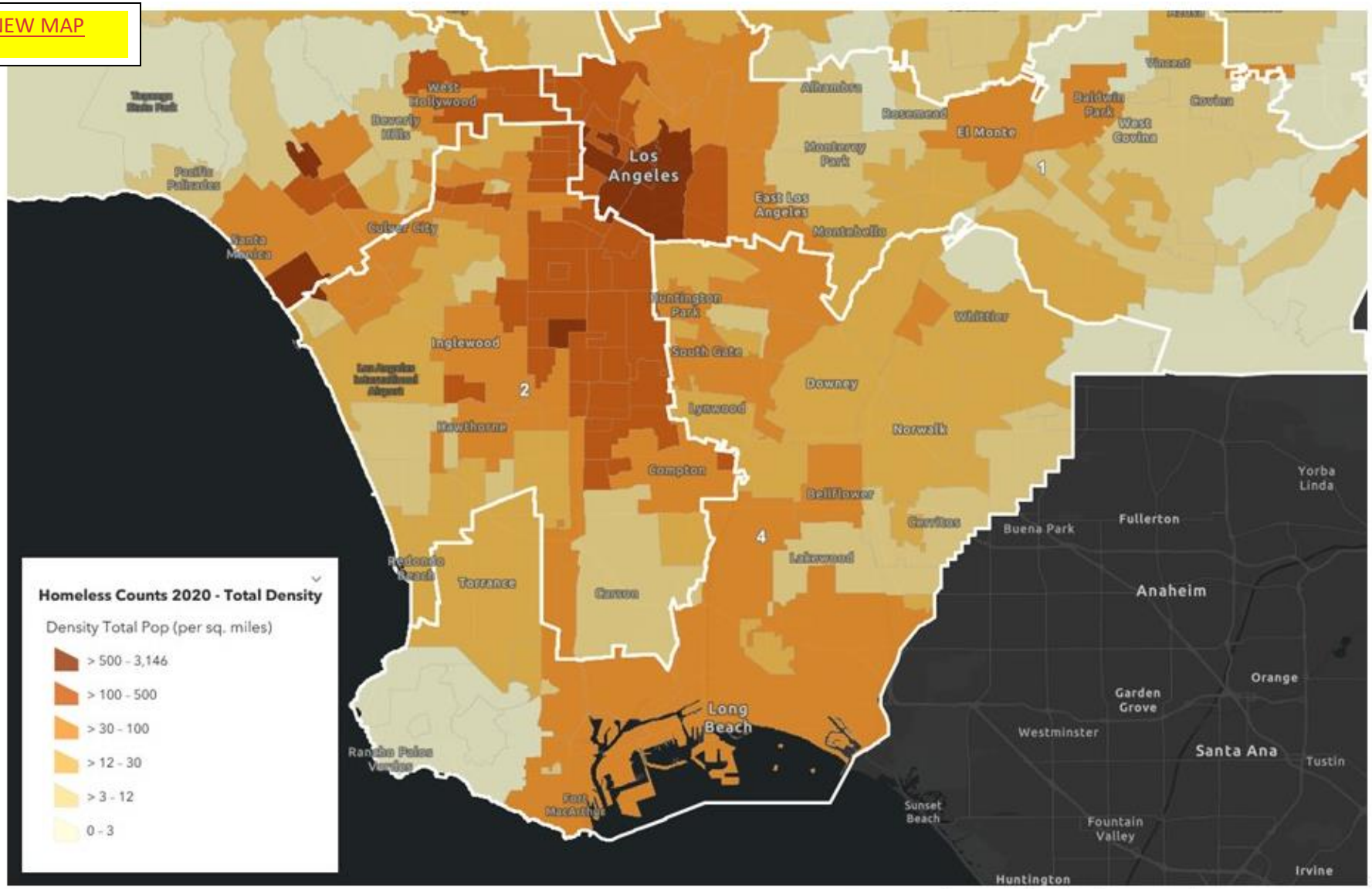
Homelessness

Homelessness in Rolling Hills is addressed in Section 3.4.8 of the Housing Element (Chapter 3). As indicated there, the annual point-in-time count for Los Angeles residents identified no unhoused residents in the city in 2016, 2017, 2018, 2019, or 2020. Figure A-18 shows the spatial extent of homelessness at a regional level based on data provided by the County of Los Angeles. The table shows that there were three unhoused residents per square mile in all four of the Palos Verdes Peninsula cities. The density is highest in Downtown Los Angeles, Venice, and various neighborhoods on LA's West Side and South Central areas. Some of these areas have more than 500 unhoused residents per square mile. The relatively low densities on the Palos Verdes Peninsula reflect the absence of shelter facilities, supportive services, non-residential land, and public lands where outdoor camping might occur.

Other Populations with Special Needs

Chapter 3 of the Housing Element identifies special needs populations in Rolling Hills. The principal special needs group is older adults, with one-third of the city's population over 65. As noted in Section 3.3.1, 56 percent of the households in Rolling Hills include at least one person who is 65 or older. Most of the persons with disabilities and *all* of the extremely low income households in the city are seniors. Rolling Hills has a very small number of single parents and large households, and it does not have ~~unhoused residents or~~ farmworkers.

NEW MAP



Source: County of Los Angeles Homelessness and Housing Map, 2022

Figure A-18: Density of Homeless Population in 2020 in Los Angeles County

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 the next section, the principal contributing factor is that Rolling Hills was developed as an equestrian community in which multi-family residential uses were not permitted. The city's single family character was reinforced by minimum lot size requirements (one acre) and a (now repealed) prohibition on Accessory Dwelling Units which made it difficult for low and moderate income persons to afford housing in the community. These requirements effectively limited the rental housing supply to very expensive single family homes and resulted in a tenure pattern in which more than 97 percent of the households in the city are homeowners.

Governmental spending on affordable housing and the implementation of housing programs is severely limited by the small size of the city (fewer than 700 homes), the lack of any tax-generating land uses other than housing, the high cost of land and construction, and severe environmental hazards in the community. Historically, there have no instances of transportation or infrastructure improvements causing the displacement of lower income households. As documented in Chapter 5 of the Housing Element, there are no public streets in the city and almost no properties served by sanitary sewers. This has been an impediment to the development of multi-family housing.

The high cost of housing in Rolling Hills has historically precluded low- and moderate-income households from living in the city, unless they were home care providers, domestic employees, persons renting a room, family members, or seniors without a mortgage. Additionally, lending practices historically favored White borrowers, making the city less diverse than the county and region. This has changed in the past few decades and Rolling Hills has become more racially diverse. However, the city has not become economically diverse.

Based on Census (ACS 2015-2019) data, there are not significant differences in the rates of home ownership among different race and ethnic groups in Rolling Hills. As shown in Table A-9, the data indicates that all Black and Latino households in the city are homeowners, and that all renter households in the city are White or Asian. However, the findings are based on sample data and the sample sizes are very small. The greater takeaway is that housing in the city continues to be affordable only to very high income households.

Table A-9: Rolling Hills Home Ownership Rates by Race/Ethnicity

Race/Ethnicity	Owners	Renters	Total	% Owners
White, Non-Hispanic	360	8	368	98%
Asian, Non-Hispanic	101	16	117	86%
Black, Non-Hispanic	9	0	9	100%
Hispanic/Latino	28	0	28	100%
Two or more races	35	3	38	92%

Source: American Community Survey, 2015-2019 (2022)

Local Data and Knowledge

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

While there is no specific local data on fair housing ~~specific to Rolling Hills~~, the circumstances behind the spatial patterns shown throughout this analysis are mostly self-evident. The city was master planned more than 80 years ago as a low-density equestrian community with large parcels marketed to prospective homeowners. Rental housing was not included in these plans and CC&Rs were drafted and enforced to maintain single family character. The lack of sewers, risk of wildfire and landslides, and absence of public streets created further disincentives for multi-family housing, while also increasing construction costs. More recently, the high cost of land has made affordable housing construction economically infeasible, which will continue to be an impediment in the future.

Rolling Hills is also an entirely residential community. There are no private businesses in the city limits, except for a handful of home-based occupations. Employment is associated with the PVPTA maintenance yard, the Rancho Del Mar school building, the Fire Station, and the City Hall/ Rolling Hills Community Association buildings, which collectively employ just over 100 people. Housing demand is not generated by businesses within the city. There are no underused commercial sites to be repurposed for housing, since there have never been commercial land uses in the city.

Rolling Hills does generate demand for services that create jobs, including low-income jobs. Local homeowners provide employment for caregivers and home health care workers, au pairs and home child care providers, landscapers and domestic workers, personal assistants, and those in the construction trades. Housing for this workforce has been largely unavailable in the city, although some of these employees may live on-site and are considered part of the primary household.

Local data and knowledge supports a fair housing strategy that is heavily focused on housing this population in ADUs, potentially at reduced rents. The service industry population is generally more racially and ethnically diverse than the city at large. Providing additional ADU and JADU opportunities would help contribute to the State's integration and equity goals while improving access to housing in a high-resource area. It can also reduce commuting and associated congestion and greenhouse gas emissions.

Distribution of Proposed Housing Sites

This section of the AFFH analysis evaluates the City's site inventory to ensure that the distribution of sites does not exacerbate patterns of segregation, access to opportunity, and disproportionate housing needs. The site inventory must be consistent with each community's duty to affirmatively further fair housing.

Rolling Hills presents a unique situation in this regard, as the entire city consists of just one census block group. Data for this one tract indicates that the entire city is in the highest resource category. The land use pattern is homogenous and consistent in all parts of the city, and there are no observable disparities in housing condition, demographics, or income at the neighborhood level.

Additionally, the city's lower income RHNA is 29 units. While the State mandate calls for distributing opportunities on multiple sites in each city, the economics of affordable housing development make this impractical in Rolling Hills. The City is more likely to see affordable units developed on a single site capable of supporting a critical mass of at least 16 units than on multiple sites capable of accommodating a few units each.[4] The City will distribute affordable opportunities through a strategy that relies on its housing opportunity site and about a dozen accessory dwelling units (ADUs) on scattered sites.

The development of affordable housing on the Rancho Del Mar site furthers the goals of AB 686 by providing a viable opportunity for affordable housing in a very high resource area. This opportunity did not exist prior to 2020 when the site was rezoned. Moreover, the City has adopted provisions to allow the development "by right" creating a path to expedited approval. As documented in Chapter 4, this is the only viable site in Rolling Hills for higher density housing given the lack of sewer and a public road system. It is also one of the few sites that is accessible to transit and evacuation routes.

Meeting the remaining lower income need for affordable units through ADUs is a practical, effective way to meet the intent of AB 686 while dispersing opportunities across a large geographic area. By definition, ADUs distribute affordable housing opportunities across the community rather than concentrating them in a single location. They are also responsive to very real opportunities in Rolling Hills, resulting from large house sizes, numerous accessory buildings, a large number of one- and two-person households, and an aging population. The City's new ADU program has a demonstrated track record of success, with nine units permitted in 2021. Continued efforts to support ADUs will allow Rolling Hills to achieve AFFH goals in a way that is realistic, practical, responsive to local conditions, and produces real results.

[4] *While the base density for the Rancho Del Mar site is 16 units, the City requires that the site be developed with 100% affordable housing. Thus, it will be eligible for an 80% State density bonus which would enable 29 units in total.*

Identification and Prioritization of Contributing Factors

"Contributing factors" are the underlying forces that create, contribute to, perpetuate, or increase the severity of fair housing issues. In its AFFH Guidance Memo (2021), HCD has identified eight contributing factor topic areas, including general outreach, fair housing enforcement and outreach capacity, segregation and integration, racially and 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. Under each of these topic areas, the Guidance memo lists individual issues which can potentially be addressed by a Housing Element action. ~~According to HCD, examples of contributing factors are community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, lack of affordable housing, and lack of public or private investment in areas of opportunity or affordable housing choices.~~

AB 686 requires that the City strategically prioritize the contributing factors and develop programs that mitigate these ~~these~~ factors through its goals, policies, and actions. ~~The Housing Element must include programs that mitigate discrimination and improve fair housing choices and access to opportunities in high resource areas~~. HCD generally groups these actions into the following four categories:

- Housing Mobility Strategies, which consist of removing barriers to housing in areas of opportunity
- New Housing Choices and Affordability, which include strategies to promote more housing supply and choices in areas of high opportunity and outside areas of concentrated poverty
- Place-based strategies to Encourage Community Conservation and Revitalization, which include approaches to conserve and improve assets in areas with concentrated poverty and lower opportunities
- Protecting Residents from Displacement, which includes strategies to preserve housing choices and affordability for residents within low and moderate opportunity areas.

Given that Rolling Hills is a high-resource, high-opportunity area, all of the City's AFFH strategies fall in the first two of these categories.

Following is an assessment of factors that could contribute to fair housing issues in Rolling Hills, along with strategies that mitigate these factors.

Priority 1: Address Disparities in Access to Opportunity

Contributing Factors:

- Land Use and Zoning Laws
- Lack of Public Investment in Services and Amenities

The City's highest AFFH priority is to address disparities in access to opportunity. These disparities have been created primarily by land use and zoning laws, coupled with economic conditions and environmental hazards that precluded multi-family housing in Rolling Hills.

The City historically has had no rental housing and no housing opportunities for lower and moderate income households. It has begun to remove land use and zoning barriers by allowing and encouraging accessory dwelling units, promoting home sharing, rezoning land for multi-family and special needs housing, and supporting public investments in infrastructure that will facilitate future housing development. The 2021-2029 Housing Element identifies additional steps the City will take to mitigate this contributing factor.

Specific Programs (described in Chapter 6) aimed at mitigating **land use and zoning** as a contributing factor include:

- Program 2 supporting the development of **affordable multi-family housing** on the Rancho Del Mar Housing Opportunity Site
- Program 4 adding definitions of **transitional and supportive housing** to the Municipal Code, to clarify that these uses are subject to the same standards that apply to the other residential uses in each zoning district
- Program 5 adopting a **density bonus** ordinance
- Program 6 creating incentives for **ADUs**
- Program 7 promoting community education on **ADUs**
- Program 12 supporting **outreach to affordable housing service providers** and developers
- Program 13 supporting a **shared housing** program

Specific Programs (described in Chapter 6) aimed at mitigating **lack of public investment in services and amenities** as a contributing factor include:

- Program 14 calling for **sewer feasibility studies** and phase one construction of a sanitary sewer system that would serve City Hall and the community tennis courts and potential future expansions
- Program 15 calling for potential **participation in the CDBG Urban County program**, which could provide a public funding source for infrastructure and housing improvements

This contributing factor is also mitigated by the designation of the Rancho Del Mar site for multi-family housing, since this is the only site in the city that has sanitary sewers and access to a public street. As noted throughout the Housing Element, most of Rolling Hills does not sewer or public street access.

All of the above programs fall into the "New Housing Choices and Affordability" category, as they promote more housing supply and choices in areas of high opportunity.

Priority 2: Increase Fair Housing Outreach, Education and Enforcement Capacity

Contributing Factors:

- Lack of local private fair housing outreach and enforcement

The second AFFH priority area is to improve fair housing outreach, education, and enforcement capacity. While public agencies do not directly control the actions of private property owners

related to fair housing, they can influence outcomes. Rolling Hills has limited staff (6 FTEs) and a severely constrained budget, no tax-generating commercial land uses, and ~~with~~ limited revenue to fund new programs. The capacity to do pro-active outreach and enforcement of fair housing complaints is constrained. As a result, owners seeking to rent property may be unaware of fair housing laws and discriminatory practices. Likewise, tenants (or prospective tenants) may be unaware of their rights and may face discrimination without awareness of the opportunity for recourse. At present, there is not a formal private fair housing outreach and enforcement program and resources for such a program are limited.

Specific Programs (described in Chapter 6) aimed at increasing fair housing outreach, education, and enforcement include:

- Program 20 recommends that the City i**ncrease its capacity for fair housing outreach, education, and enforcement.** This would include education to those choosing to rent their homes or ADUs regarding state and federal laws on discrimination and the acceptance of housing vouchers.
- Program 21 calls for **increased information on fair housing on the City's website**, including a dedicated landing page with fair housing information and links to fair housing resources.
- Program 22 calls for **fair housing training** for City staff.

All of the applicable strategies to address this priority fall are in the "Housing Mobility" category, in that they are aimed at removing barriers in a high opportunity area.

Priority 3: Disparities in Access for Persons with Disabilities

Contributing Factors:

- Lack of assistance for housing accessibility modifications
- Lack of affordable in-home or community-based supportive services

As noted earlier in this Appendix and in Chapter 3 of the Housing Element, more than one-third of Rolling Hills residents are over 65 and most of the City's households include at least one person over 65. This demographic has the highest rate of disability in the city, primarily associated with mobility limitations. Sight and hearing impairments and cognitive impairments also may affect older adults. As a rural community with very large lots and no public transportation, persons with these limitations and impairments may face housing challenges as well as other challenges such as the ability to evacuate in an emergency.

Specific Programs (described in Chapter 6) aimed at reducing disparities in access for persons with disabilities include:

- Programs 6 and 7 supporting ADU development, including units for **live-in caregivers** and health care providers
- Program 8 to assist senior and disabled households, including **home retrofits for aging in place**. This also includes housing resources for persons with developmental disabilities.
- Program 12 supporting **home sharing**, especially for senior and disabled households

All of the above programs fall into the "New Housing Choices and Affordability" category, as they promote better choices in high opportunity areas.

Summary

Table A-10 summarizes AFFH priorities, contributing factors, fair housing issues, and applicable housing programs.

Table A-10: Fair Housing Priorities, Issues, Contributing Factors and Strategies

Priority	Fair Housing Issue	Contributing Factors	Program Category	Relevant Program (see Chapter 6)
1	Disparities to Access in Opportunity	• Land Use and Zoning Laws	New Housing Choices and Affordability	• Program 2: Affordable multi-family housing development on Rancho Del Mar site • Program 4: Definitions of transitional and supportive housing in the Municipal Code, • Program 5: Density bonus ordinance • Program 6: ADU incentives • Program 7: ADU education and outreach • Program 12: outreach to housing service providers • Program 13 supporting a shared housing program
		• Lack of Public Investment in Services and Amenities		• Program 14: sewer feasibility studies • Program 15: CDB Urban County Program
2	Fair Housing Outreach, Education, and Enforcement	• Lack of local private fair housing outreach and enforcement	Housing Mobility	• Program 20: Increase capacity for fair housing outreach, education, enforcement • Program 21: Increased fair housing information on City's website • Program 22: Fair Housing training for staff
3	Disparities in Access for Persons with Disabilities	• Lack of assistance for housing accessibility modifications • Lack of affordable in-home or community-based supportive services	New Housing Choices and Affordability	• Program 6: ADU incentives • Program 7: ADUs outreach for live-in caregivers and health care providers • Program 8: Assistance to senior and disabled households • Program 12: Home sharing

~~**Environmental Constraints**~~

The entire city is designated a Very High Wildfire Hazard Severity area. In the past, wildfires have destroyed homes in Rolling Hills and endangered life and property. Wildfires are likely to become a greater threat in the future due to global climate change and continue to limit the viability of land in Rolling Hills for higher-density construction. Much of the city is landslide prone. Landslides have destroyed Rolling Hills homes in the past and will remain an impediment to multi-family development in the future. The City has responded to this contributing factor by identifying the opportunity for multi-family housing on one of the only unconstrained sites in the city.

Economics

Economic factors will continue to present a challenge to the achievement of fair housing goals in Rolling Hills. Land and construction costs are prohibitively expensive, making it difficult to build affordable housing. To the extent that members of protected classes often have lower incomes, they will continue to be disproportionately affected by high housing costs. The City has little direct control over economic pressure, as these are driven by the regional economy and real estate market. Nonetheless, by creating the housing overlay zone on the Rancho Del Mar site, it has created an opportunity for affordable project in a location that is less impacted by these factors.

Land Use and Zoning Laws

Land use policies and zoning laws in Rolling Hills allow only very low densities on most sites, recognizing the city's identity and heritage as an equestrian community, and the infrastructure and environmental constraints cited above. The City has worked creatively to allow for ADUs and multi-family housing within the context of these constraints. Nonetheless, limited opportunities for higher density housing may cause many of the conditions identified in this analysis to continue. Various Housing Element programs are included to address this issue. This includes adding provisions for transitional and supportive housing to the zoning regulations, as well as density bonus regulations. It also includes proactive support for ADUs, including units serving lower income residents and workers.

Lack of Participation in Countywide Programs

Rolling Hills does not participate in the Countywide Urban County CDBG Program. This may limit access to some of the fair housing resources available to other cities.

Community Opposition

The 2020 Rolling Hills Housing Survey, which was focused on ADUs, indicated mixed views on affordable housing, concerns about community character, and tremendous concern about the city's ability to absorb additional housing and evacuate additional residents. The survey was anonymous and allowed for open-ended comments. While some were supportive, there were also negative views expressed about affordable housing, renters, ADUs, and the State's housing mandates. This will continue to be an issue in the future and requires an ongoing community dialogue about housing issues and the benefits of having greater housing choices.

Summary of Fair Housing Issues and Additional Fair Housing Concerns

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.

Rolling Hills has adopted regulations permitting accessory dwelling units and is currently considering legislation reflecting recently adopted SB 9. Both of these measures provide potential opportunities for rental housing, smaller units, and more affordable units that did not previously exist in the city. New ADU production and affordability programs affirmatively further fair housing and promote new housing opportunities throughout the community.

Strategies to enhance mobility (i.e., transit access to Rolling Hills), preserve existing affordable housing, and protect residents from displacement are less applicable in Rolling Hills. However, the City's policies and programs do aim to address disparities and create new affordable housing opportunities in high-resource areas. The City has required that any multi-family construction be affordable to low and very low income households, ensuring opportunities for economic diversification rather than further concentration of affluence. Allowing market-rate multi-family housing would only exacerbate existing concentrations of affluence and run counter to the purpose and intent of AB 686.

Rolling Hills also has made fair housing outreach and education a priority, not only for Rolling Hills residents but for those who may seek to move to Rolling Hills in the future. Current efforts will be expanded in the future by making more information available and strengthening communication with fair housing service providers.

APPENDIX B

Analysis of Palos Verdes Unified School District (PVUSD) Site
(APN 7569-022-900)

The intent of this Appendix is to provide supplemental analysis supporting the designation of the Palos Verdes Unified School District (PVUSD) site as an opportunity site for "by right" affordable housing in the City of Rolling Hills. This analysis was requested by the State Department of Housing and Community Development to demonstrate the site's capacity to provide 16 multi-family units at a density of 20 units per acre. Land use regulations supporting such development are required to meet the City's 6th Cycle affordable housing allocation. Based on existing land uses, access, infrastructure, topography and hazards, land ownership, and site utilization, the City has determined that this represents the most viable site in Rolling Hills for such development.

The 31-acre property is also known as the Rancho Del Mar site, as it is home to Rancho Del Mar High School, a small continuation school with an enrollment of 32 students in 2021. The Beach Cities Learning Center (17 students) also occupies a portion of the school building. Excluding the adjacent playing fields and lawn, the school campus occupies just six percent of the 31-acre site. The only other active use on the property is a Palos Verdes Peninsula Transit Authority maintenance facility. A majority of the site is vacant.

Location and Surroundings

The PVUSD site is located at 38 Crest Road. Figure B-1 provides an aerial photo of the site to provide context, orientation, and an overview of adjacent uses. Figure B-2 is an assessor parcel map. Its exact area is 31.14 acres, including a 3.56-acre street internal to the site that provides access to Crest Road, at a point outside the controlled access entryway to the Rolling Hills (but within the city limits). The net acreage of the site without the street is 27.58 acres.

The site is oblong in shape, with a panhandle area at its western edge that extends to the Crest Road access point. Excluding this panhandle area, the site extends roughly 2,600 feet from east to west and averages more than 600 feet from north to south. Within this area are numerous flat, graded surface areas with no structure coverage and minimal programmed activities.

The City of Rancho Palos Verdes lies immediately south and west of the site. The area to the south is developed with single family homes at densities of 2-3 units per acre. This area is roughly 80 to 100 feet higher in elevation than the site itself, as there is a graded downslope between the residential neighborhood and the school property (the downslope is on the school property). Residential uses also abut the west side of the site, with densities around 3-4 units per acre.

There are no road or driveway connections between the PVUSD site and the Rancho Palos Verdes neighborhoods to the south and west. A 15' riding and hiking trail easement exists along the southern and western edges of the site but it is undeveloped. The difference in topography reduces the potential for visual impacts associated with future development.

The entire northern perimeter of the site is defined by the Crest Road right-of-way. There are large lot homes on the northern side of Crest Road, set back more than 100 feet from the School District property line and more than 200 feet from the improved area of the PVUSD site. The area to the north is well buffered not only by large setbacks and Crest Road, but also by an internal street on the PVUSD property. Effectively, there are two streets between homes in Rolling Hills and the developable area—Crest Road, and the parallel internal street within the PVUSD site.

On its eastern edge, the site is abutted by large lot residences. The home closest to the site is heavily screened from the PVUSD site by vegetation, as well as a private tennis court between the residence and the property line. The residence itself is more than 200 feet from the PVUSD ballfield and more than 550 feet from the school.

The site context creates effective buffering from adjacent uses, mitigating land use compatibility concerns such as privacy, noise, and visual impacts. At the same time, the site is easily accessible from Crest Road and is outside of the gated area of the city. A fire station is located 1,000 feet to the east, and major shopping facilities and services are located just over a mile away in the City of Rancho Palos Verdes. Crest Road is one of Rolling Hills' major thoroughfares and one of the few "through-streets" that bisects Rolling Hills and connects the city to adjacent cities and regional highways.

History of the Site and Current Uses

The site was initially home to Cresta Elementary School, which was constructed in 1960. A School District warehouse and maintenance facility was part of the original campus. The school closed in the early 1980s and was repurposed as Rancho Del Mar Continuation High School, which opened in 1986. At the time, there were discussions between the City and the School District to rezone the property and sell the site for residential development. However, Rancho Del Mar has remained on the site for the last 35 years. Given the value of the land and the low-intensity and limited extent of the existing use, residential development remains viable, even if the school does not relocate.

The Rancho Del Mar Campus consists of three one-story buildings totaling 20,000 square feet of floor area. Figure B-3 shows the campus layout, as well as six photos of the school and adjacent areas. The campus consists of an L-shaped building (divided by a breezeway) with eight classrooms, a rectangular building with a classroom, multi-purpose room restroom, and custodial area, and a small building facing the parking lot with the main office. Classrooms at the school are open to the exterior and there are no interior hallways. The PVUSD shares its classroom and administrative facilities with the Beach Cities Learning Center. The Learning Center has 17 students aged 11-18 with emotional, behavioral, and learning challenges.

Source: LA County GIS, 2020. Aerial Fall 2019

Site Boundary

City Limits

Figure 1:
Location of PVUSD Housing Opportunity Site

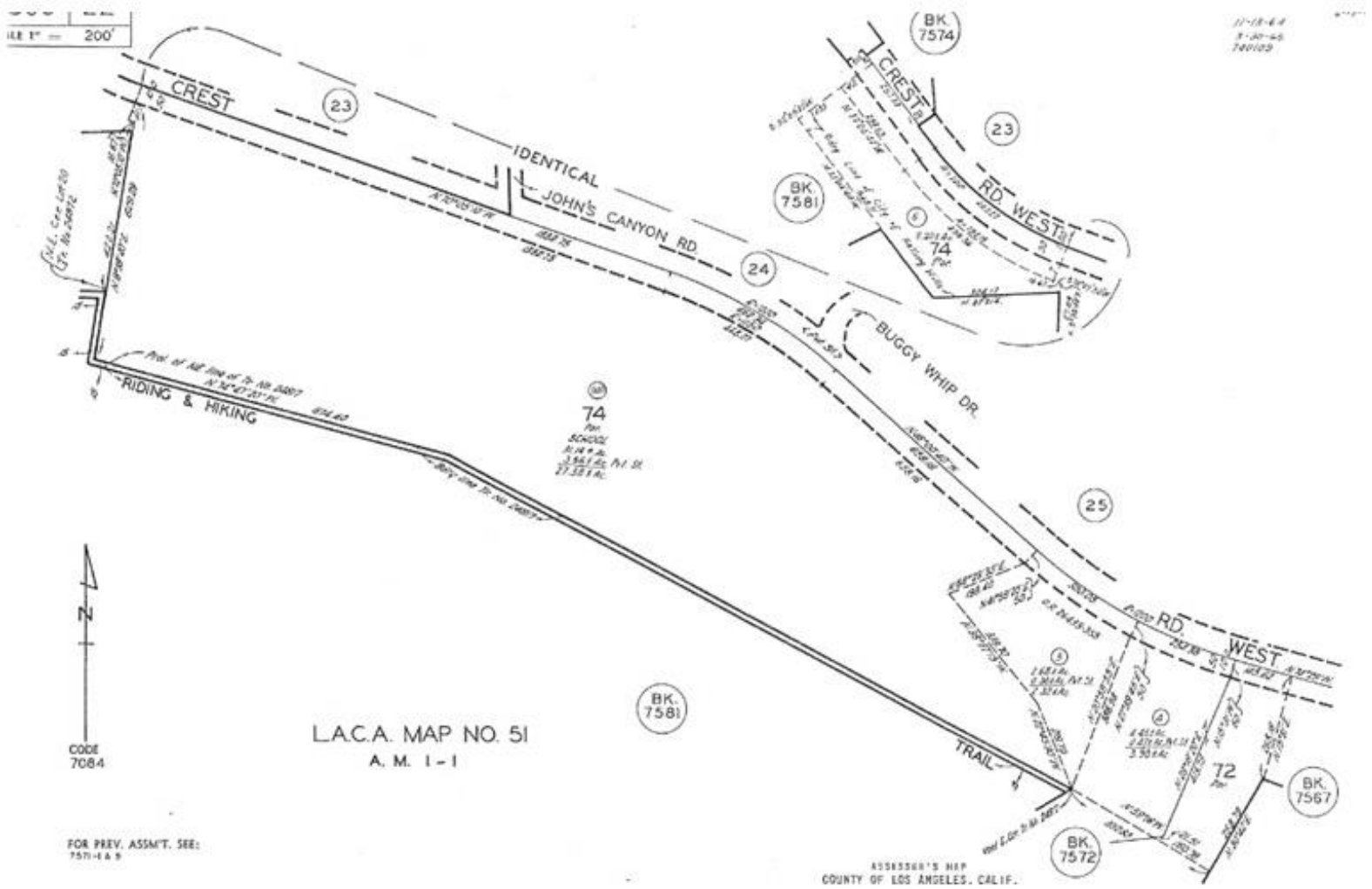


Figure 2:
Assessor Parcel Map of PVUSD Site

Figure 3:
Rancho Del Mar High School Building Plan and Photos

Rancho del Mar itself serves students ages 16-18 who were unsuccessful in a traditional high school setting. Students are referred to the school for a myriad of reasons, including poor attendance, personal crisis, behavioral issues, or other factors creating a high risk of drop-out. Enrollment at Rancho del Mar has been steadily declining and was just 32 students in the 2020-21 school year. Enrollment was 79 students in 2014-15, 72 students in 2015-16, 69 students in 2016-17, 58 students in 2017-18, 47 students in 2018-19, and 46 students in 2019-20. There are also six teachers on site and three other personnel.

Thus, the combined enrollment (Beach Cities and Rancho Del Mar) is fewer than 50 students on a 31-acre site. By contrast, Palos Verdes Peninsula High School and Palos Verdes High School enroll roughly 2,300 and 1,700 students respectively, on sites of similar size. Sale of the school property could generate significant revenue for the School District. Sale of a portion of the property also is possible, as the site is configured in such a way that easily facilitates its subdivision.

A comprehensive structural evaluation of the school was completed in 2016 as part of the PVUSD Facilities Master Plan. Beach Cities Learning Center likewise prepared a facility condition status report in 2019 as part of its annual reporting requirements. Both evaluations found the building(s) to be in good condition. The buildings were last renovated in 2008. The 2016 evaluation called for resurfacing the parking area, upgrading the HVAC system, and upgrading the electrical system. Total capital needs were estimated at $1.9 million. All utilities were found to be in good condition, and drainage issues were minimal.

The school campus is adjoined by an approximately 100-space parking lot on its north and east sides. To the west of the buildings, there is a large flat lawn area. To the east, there is an athletic field area that includes a basketball court and ballfield. The 2016 facility evaluation determined that the Floor Area Ratio of the school campus was just 0.03, as it defined the campus area as being 15.2 acres (including athletic fields, lawns, and other open areas on the perimeter of the site). The square footage of floor space per student is well below District averages.

Beyond the 15.2-acre area associated with the school, the PVUSD has leased approximately 4.5 acres of the site (roughly 15 percent of the 31 acres) to the Palos Verdes Peninsula Transit Authority. The PVPTA facilities include maintenance buildings and administrative offices and are self-contained in the west central part of the site. The Housing Element analysis presumes this part of the site will not be available for development and that the transit district will remain a long-term tenant. However, the PVPTA site could potentially be sold and redeveloped in the future, leased to a new third party, or repurposed by the School District.

Potential Development Areas

Figure B-4 shows potential development areas on the Rancho Del Mar site. These are summarized below:

- Area 1 is located between the transit facility and the school campus. It is an unimproved, almost completely flat rectangular area of 1.6 acres. Its dimensions are approximately 250 x 300, with 250 feet of frontage along the internal access street. The site is well situated for multi-family development and has no visible physical constraints.

- Area 2 is located immediately adjacent to the school and is 1.0 acre. The dimensions are approximately 200 x 200, with a "stem" area providing access to the interior street. The area is currently an unimproved lawn with a few mature trees. It is almost completely flat and has no physical development constraints. The site could easily support up to 16 to 20 multi-family units at a density of 20 units per net acre.

- Area 3 is the school itself, which occupies roughly 1.75 acres including parking, landscaped areas, courtyards, and classroom buildings. This option would be most viable if the school relocates and the site is sold, as co-location of a school and multi-family housing or emergency shelter would be unlikely. However, certain special needs housing types (such as housing for teachers) would be viable in this setting.

- Area 4 includes the area east of the school. It includes approximately three acres of level ground, with 0.5 acres of parking, a two-acre ballfield serving the school, and other paved areas used for basketball and recreation. There are several areas within the three acres where 16-20 units could be built without impacting use of the site for parking and school recreation.

- Area 5 includes approximately four acres and is located west of the PVPTA facility. It is regarded by the City as the best location on the 31-acre site for multi-family housing, as it would have the least impact on the school campus and transit facility. It is also the largest of the five areas and the most buffered from adjacent development. There are a number of extant foundations on the site from prior uses, and internal roadways that are not in use. The area has gently sloping terrain and has not been improved for school use, parking, or recreation, as the other portions of the site have.

Figures B-5 through B-7 provide a bird's eye view of each of the five areas.

Physical Constraints to Site Development

Approximately nine acres of the 31-acre site consists of a graded slope along the south side of Altamira Canyon. This area is shown in Figure B-8. The slope exceeds 30 percent, making it poorly suited for development. The sloped areas also have the potential for landslides and other seismic stability issues, which limit their suitability for further grading and construction. The sloped area is not considered suitable for multi-family development or special needs housing. It occupies roughly 29 percent of the site, all of which has been excluded from consideration in the definition of Areas 1-5 above.

Figure 4:
PVUSD Potential Housing Opportunity Areas

Figure 5:
PVUSD Opportunity Site Areas 1-4 (Looking East)

Figure 6:
PVUSD Opportunity Site Areas 1-4 (Looking West)

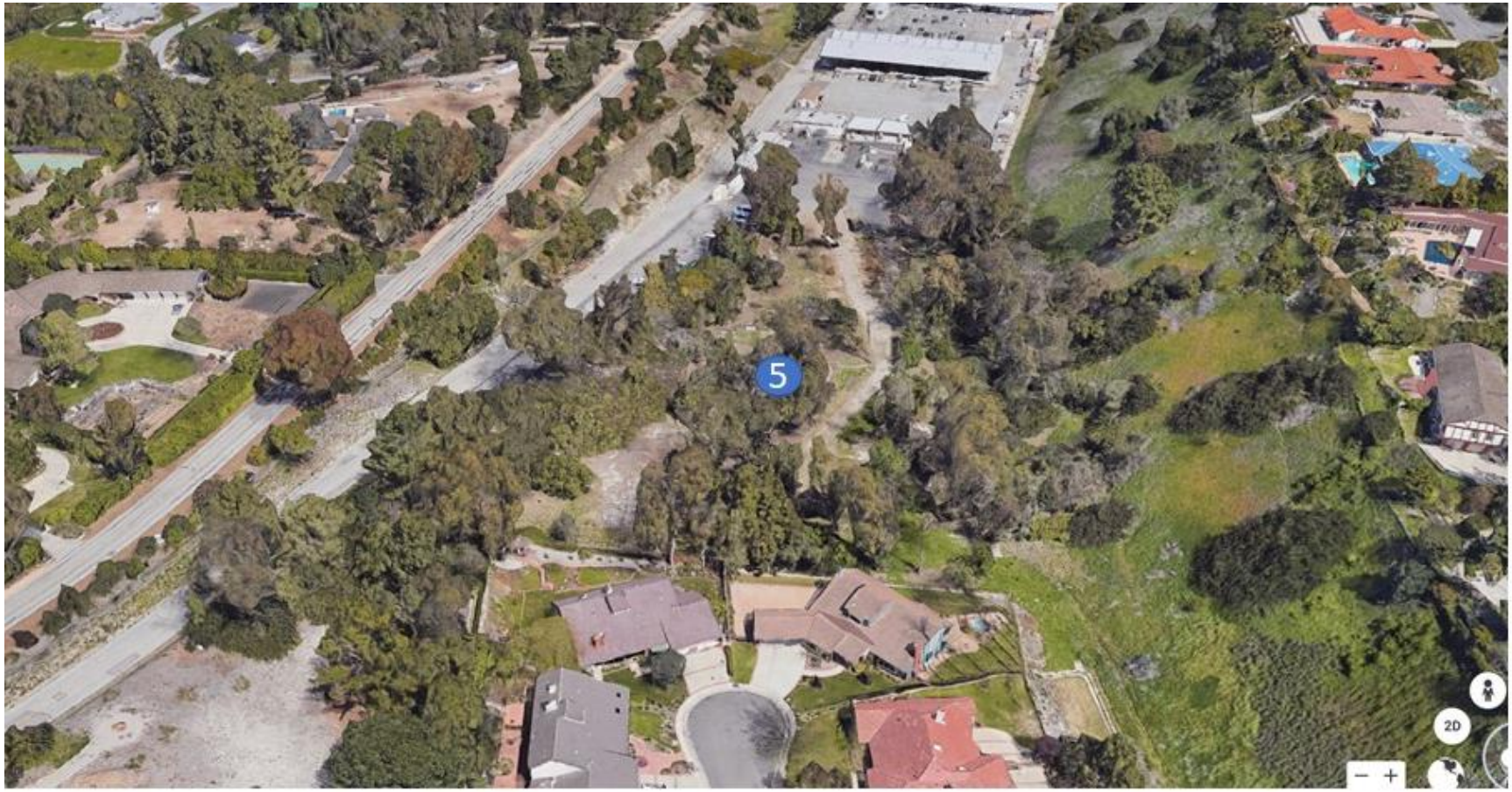


Figure 7:
PVUSD Opportunity Site Area 5 (Looking East)

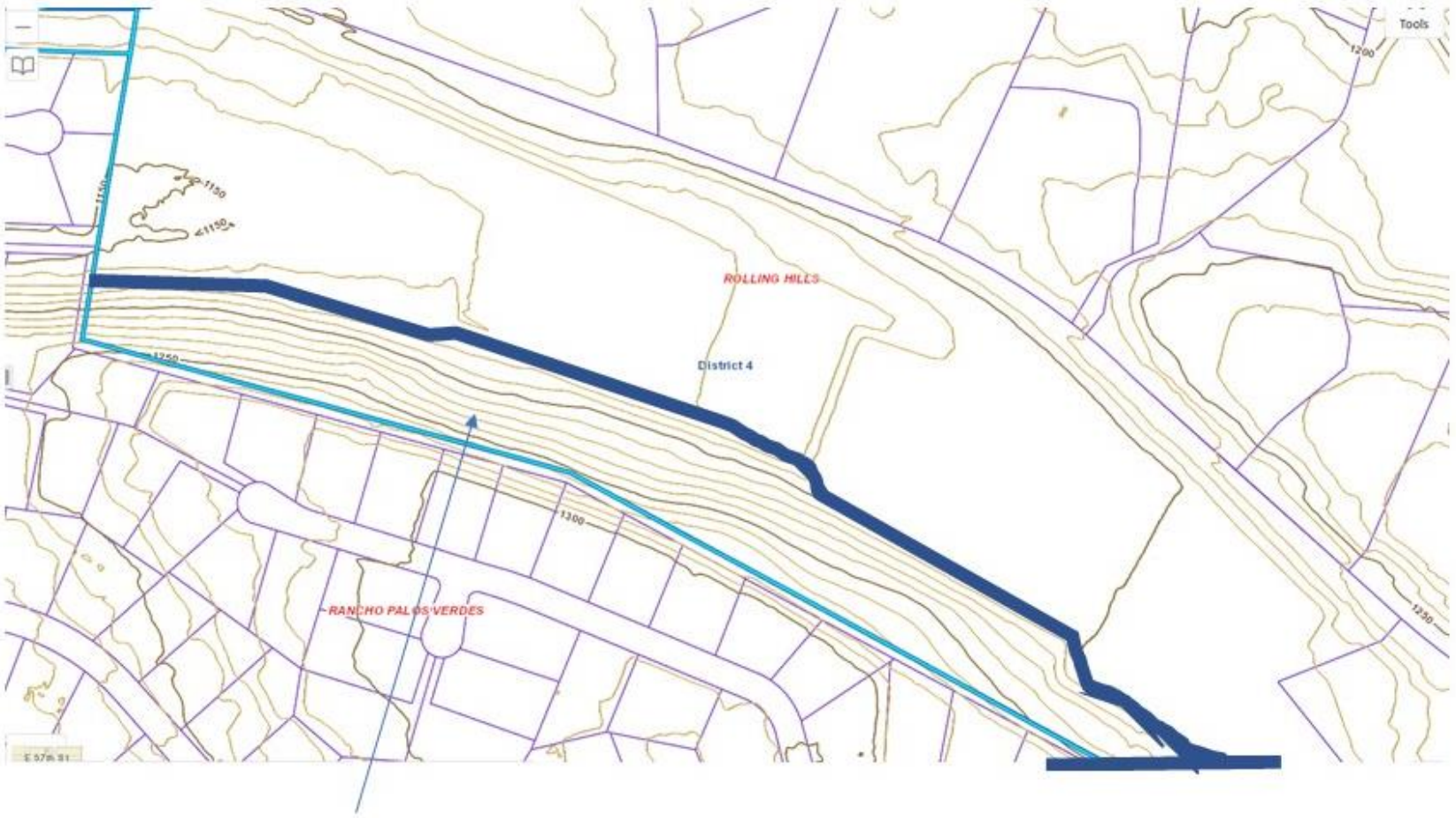


Figure 8:
PVUSD Opportunity Site Topography

The central portion of the site has historically been used for general maintenance activities, first by PVUSD and more recently by PVPTA. A search of the California State Water Resources Control Board (SWRCB) GeoTracker data base identified two leaking underground storage tanks (LUST sites) at this location. The sites were determined to contain gasoline and hydrocarbons resulting from leaking underground storage tanks. Both sites have been cleaned per SWRCB standards and are now designated by the SWCRB as "complete" and "case closed."

As noted elsewhere in the Housing Element, the City of Rolling Hills—including the PVUSD site—has been designated as a Very High Fire Hazard Severity Zone by the State of California. Rolling Hills is implementing a Community Wildfire Protection Plan to mitigate this hazard and is implementing vegetation management measures and programs to make structures more resilient. In the event of a housing proposal on this site, the need for an emergency-only access connection between the existing access road and Crest Road would be assessed.

An analysis of infrastructure and utilities on the site conducted as part of the Housing Element found no constraints associated with redeveloping this site with residential uses or special needs housing. The site is used less intensively now than when it was actively used as an elementary school and school maintenance facility. Water, drainage, and wastewater facilities are adequate to support the number of units contemplated by the Housing Element.

Importantly, this is one of the only sites in the City of Rolling Hills that has access to a public sewer system. As such, it is much more conducive to multi-family housing that sites elsewhere in the city that are served by private septic systems.

Regulatory Constraints to Site Development

Prior to December 2020, the PVUSD opportunity site was subject to a range of planning and regulatory constraints that limited the feasibility of multi-family housing. The site has historically had a General Plan designation of Very Low Density Residential and a zoning designation of RAS-2 (Residential Suburban 2-acre minimum lot size), which effectively limited uses to existing community facilities or new large-lot residential development. While Accessory Dwelling Units (ADUs) could conceivably be incorporated in new homes, the site would not have met State requirements for the Housing Element.

In February 2021, the City of Rolling Hills amended its General Plan and zoning regulations to allow multi-family housing and other special needs housing types "by right" on the PVUSD property, subject to specific development standards. As noted elsewhere in the Housing Element, the amendments included:

- Amending the Land Use Element of the General Plan to create the Rancho Del Mar Housing Opportunity Overlay. The Land Use Element now explicitly states that multi-family housing and emergency shelter are permitted by right in this area, subject to objective development standards. The number of units on the site is based on a transfer of the allowable General Plan density to a clustered area where 16 to 20 units could be added.
- Amending the Rolling Hills Municipal Code (Zoning Regulations) to create the Rancho Del Mar Housing Opportunity Overlay, and to map this Overlay on the entire PVUSD site.

The Overlay establishes a minimum density of 20 units per acre and a maximum density of 24 units per acre. Affordable housing is permitted "by right" subject to objective development standards defined in the Ordinance. The Ordinance identifies the area west of the PVPTA site as the location for future housing.

- Amending the Zoning Regulations to allow emergency shelter on the property by right, subject to specific development standards specified in the Code.

- Amending the Zoning Regulations to allow single room occupancy (SRO) units on the site, with a conditional use permit.

Other Constraints to Site Development

Development of multi-family housing, emergency shelter, or SRO uses on the PVUSD site could occur either:

- by the School District itself (on its own or through a public-private partnership)
- through a long-term lease; or
- through sale of all or part of the property

The City has met with the School District and reviewed Board Policies and Codes. Current policies accommodate all of these options—and that there are no prohibitions or limitations on multi-family and special needs housing. Moreover, the School District has expressed interest in developing housing for teachers in the past; such units would meet income criteria for low or very low income units. There are ample opportunities for such housing on the property that would not impact operations at either Rancho Del Mar School or PVPTA. Rancho Del Mar is a logical location for these activities, given the size of the site and its significant underutilization.

The District is less likely to pursue development of an emergency shelter or SRO on its own, as these are not as clearly mission-aligned. However, it could sell or lease property to a third party who could develop these uses. SROs and emergency shelters would be unlikely to co-locate in the school building or on the 1.75-acre school footprint area, given the possibility for use conflicts. However, the 31-acre PVUSD property is large enough to accommodate multiple uses. There are developable areas on the site that are 1,500 feet away from the school. The District has already set a precedent by leasing a large portion of this site to a transit agency; it could do the same for a social service agency or another agency providing a public benefit service to the community.

Like most School Districts in California, the sale or lease of PVUSD property is subject to action by the School Board. Section 3280 of the Board's Policies allows the Superintendent or designee to study the existing and projected use of facilities to ensure the efficient utilization of space. A Board Committee is typically created prior to the sale of land (although teacher housing is specifically exempted by Board policy from any Committee requirements). A Board vote is required to approve the sale or lease terms. There are also requirements for how the proceeds of a sale or lease may be used.

Once property is sold, the School District Board has no land use or decision-making authority over a site. Thus, the District could sell all or part of the PVUSD site to a non-profit housing

developer, for-profit housing developer, social service provider, or other third party who could develop housing "by right" without further oversight by the Board or City Council. Subdivision of the property would be required, creating a new legal parcel on which housing could be developed.

Given its large size, the most likely scenario is only that a portion of the site would be sold, rather than the entire site. In effect, the Housing Element is creating a unique opportunity for the District to sell a vacant or underutilized subarea on its 31-acre site to a third party, who can then produce teacher housing, senior housing, affordable family housing, or another type of housing that meet local needs.

There are a number of examples of successful small affordable housing projects in the Los Angeles region that meet the density and height criteria established for this site. For example, Habitat for Humanity is currently developing a 10-unit affordable two-story townhome project in Long Beach on a 0.5-acre site. Similar two-story projects by Habitat have been developed in Lynwood, Burbank, Bellflower, and Downey.

In the event that the Rancho Del Mar School itself is closed in the future, the building could be sold and repurposed for other uses. Once sold, the floor space could be reconfigured for alternative uses, including special needs housing. The project would be subject to the objective standards prescribed by the zoning regulations (covered elsewhere in this Housing Element), but approval of the development would be ministerial.

/intentionally blank/

APPENDIX C:
Accessory Dwelling Unit Survey Analysis

In Fall 2020, the City of Rolling Hills surveyed its residents to determine the viability of Accessory Dwelling Units (ADUs) as a future affordable housing strategy. The survey was formatted as an 11 x 17 folded sheet printed double-sided (four 8.5 x 11 pages) and was mailed via the US Postal Service to approximately 700 addresses in the city. Return postage was provided so the survey could be easily returned. Residents had roughly one month to complete and return the survey. An option was provided to reply electronically via SurveyMonkey.

Approximately 190 surveys were returned, for a response rate of 27 percent.[1] Another seven surveys were received by SurveyMonkey, bringing the total response rate to 28 percent. The survey represents the views and experiences of more than one in four Rolling Hills households. This is a high response rate and is indicative of the community's strong interest in the subject.

Demographic information about the respondents was collected as part of the survey. Respondents tended to be older than Rolling Hills residents as a whole and were mostly long-time residents. About two-thirds of the respondents were 65 or older and 25 percent were 50-64. By contrast, about 42 percent of the City's adult residents are over 65 and 36 percent are 50-64. About 42 percent of the respondents had lived in Rolling Hills for more than 30 years and only 20 percent had lived in the city for less than 10 years. By contrast, about 27 percent of all residents have lived in Rolling Hills for more than 30 years and 31 percent have lived in the city for less than 10 years.

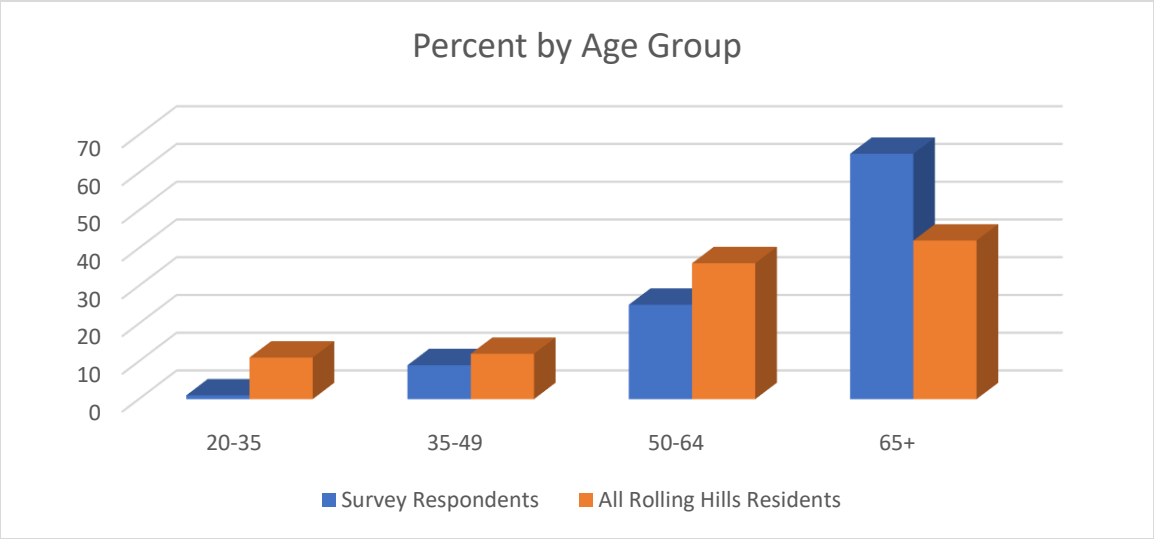
The distribution of respondents by household size was close to the citywide average. Approximately 65 percent lived in one and two person households, which is similar to the citywide average. Only seven percent lived in households with five or more residents, which is just below the citywide average. Of the 194 respondents who indicated their housing tenure, 192 were owners and two were renters. This is equivalent to one percent of the respondents, whereas renters represent about five percent of Rolling Hills households.

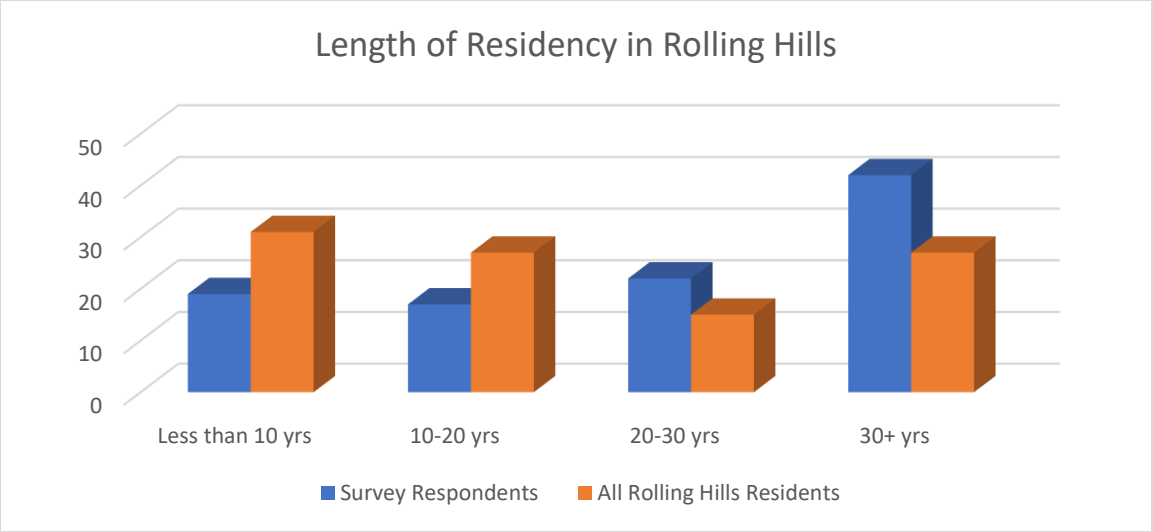
Figure C-1 compares demographics for the survey respondents and residents in the city as a whole.

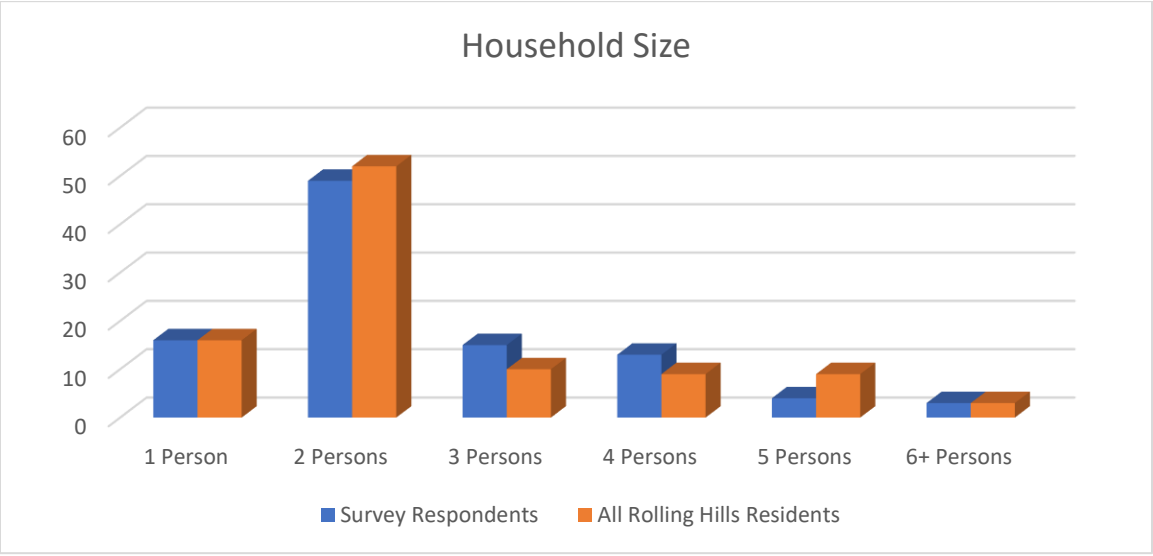
Responses to the survey was completely anonymous. Respondents were given the option of phoning the City if they had questions or wanted more information about ADUs.

[1] This estimated return rate was based on 700 households. In August 2021, Census data indicated there were 637 households in the City, so the actual return rate was 31 percent.

Figure C-1: Demographics of Survey Respondents Relative to All Rolling Hills Residents







Suitability of the Property for an ADU

Question 1 asked respondents to indicate if their property contained an ADU or other habitable spaces which could potentially be used as an ADU. Respondents were asked to check "all choices that apply," so the results are not additive.

Thirteen of the respondents indicated they had a legally permitted ADU on their properties with a separate kitchen, bath, and entrance. Some of these units may have been legally created in 2018-2020 after the City adopted its ADU Ordinance, but some likely already existed and are legally classified as guest quarters.

Thirty-four respondents, or roughly 25 percent of the total, indicated they had a secondary building on their properties with an indoor kitchen, bathroom, heat and plumbing. This included guest houses/ casitas, pool houses, habitable barns, and similar features that could be considered *potential* ADUs even if they are not used for habitation by another household. Ten respondents indicated they had a second kitchen in their homes. Eighteen said they had another space in their home that could "easily be converted" to a separate dwelling or junior ADU. While some respondents may have counted the same space twice, roughly half indicated they had spaces on their properties with the potential to be used as an ADU or JADU. This is further supported by the responses to Question 2 below.

Current Use of ADUs and Spaces Suitable as ADUs

Question 2 asked how the spaces described in Question 1 were being used. Only three of the respondents indicated they were renting ADUs to a paying tenant. Seven indicated that the space was used by a caregiver or domestic employee, while eleven had a family member or long-term occupant living on the property. Collectively, this represents 21 units, or just over 10 percent of the respondent households. The remainder of the respondents with potential ADU space indicated they used these spaces for house guests or their own families, or that the space was unoccupied or used as storage.

The survey findings indicate that ADUs (or "unintended" ADUs such as guest houses) already represent a component of the Rolling Hills housing supply. The survey suggests that there is potential to expand the number of permitted ADUs in the future, even without any new construction. About 15 percent of the respondents (30 in total) indicated they had potential ADU space on their properties that was vacant or used for storage.

Respondents were asked the square footage of the spaces they were describing. Figure C-2 shows the distribution. More than 100 responses were received, with a median size of about 600 square feet.

Respondents who had rented ADUs on their properties were given the option of reporting the rent that was being charged. Two of the three households who indicated they had a paying tenant replied. The monthly rents charged for these units were $950 in one case and $1,500 in another. Based on HCD income limits for Los Angeles County, the $950 unit would be considered affordable to a very low-income household of one or more persons. The $1,500 unit would be considered affordable to a low-income household of one or more persons. These

units are presumed to have been created or legalized between 2018 and 2020, following adoption of the ADU ordinance.

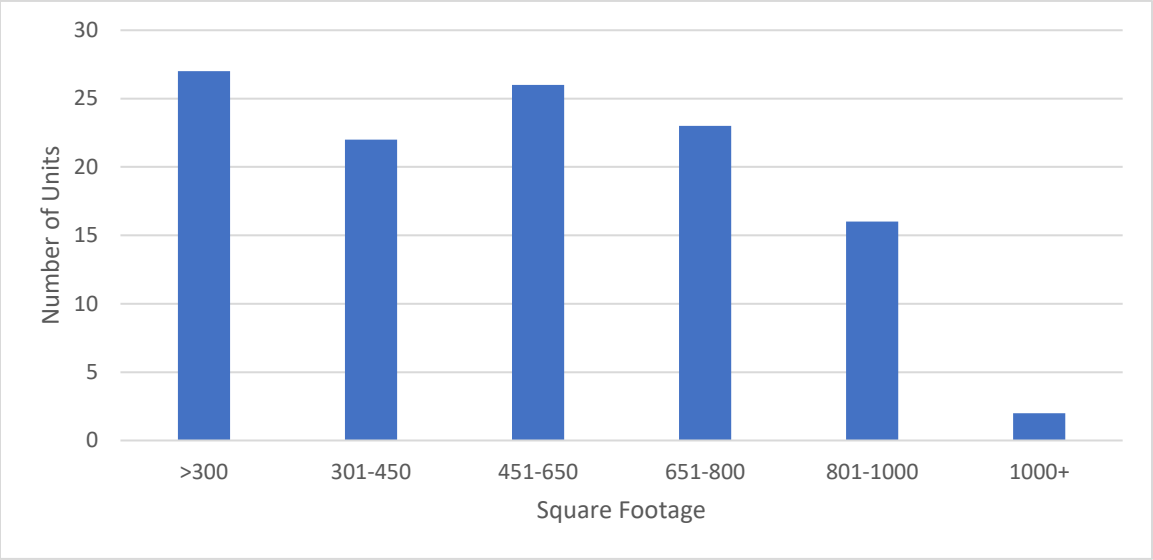


Figure C-2: Square Footage of Spaces Reported by Respondents as Potential ADUs on their Properties, Including Guest Houses

Income Characteristics of Households in Occupied Units

Those who indicated their ADU (or "unintended" ADU/ guest house/ secondary space) was occupied by someone who was not part of their household were asked to describe the number of residents and total income of the occupants. The numeric HCD 2020 income limits (dollar amounts) and number of persons in the household were used so that the occupants could be easily identified using HCD's income categories.

There were 12 responses to this question, or about six percent of all surveys returned. This presumably includes the small number of units that are rented as ADUs, plus those occupied by caretakers, domestic employees, and other long-term occupants. The distribution by HCD's income categories is shown below:

Household Size and Income of Households Occupying Formal or Unintended ADUs

Income	1 person	2 person	3 person	4 person	5 person	6+ person	TOTAL
Extremely Low	1		1				2
Very Low	2						2
Low	1						1
Moderate/ Above Mod	1	4		1		1	7
TOTAL	5	4	1	1	0	1	12

The data indicates that roughly half of the survey respondents' ADUs (including those which may be unpermitted and used "informally" on a long-term basis) provided housing for low, very low, and extremely low income households.

Interest in Developing an ADU

Question 4 asked respondents if they might be interested in developing an ADU if they didn't currently have one. There were 164 responses to this question, with 24 percent indicating "Yes" and 15 percent indicating "Maybe." Another 40 percent indicated "No" and 14 percent indicated "Probably Not." The responses are profiled in Figure C-3 below.

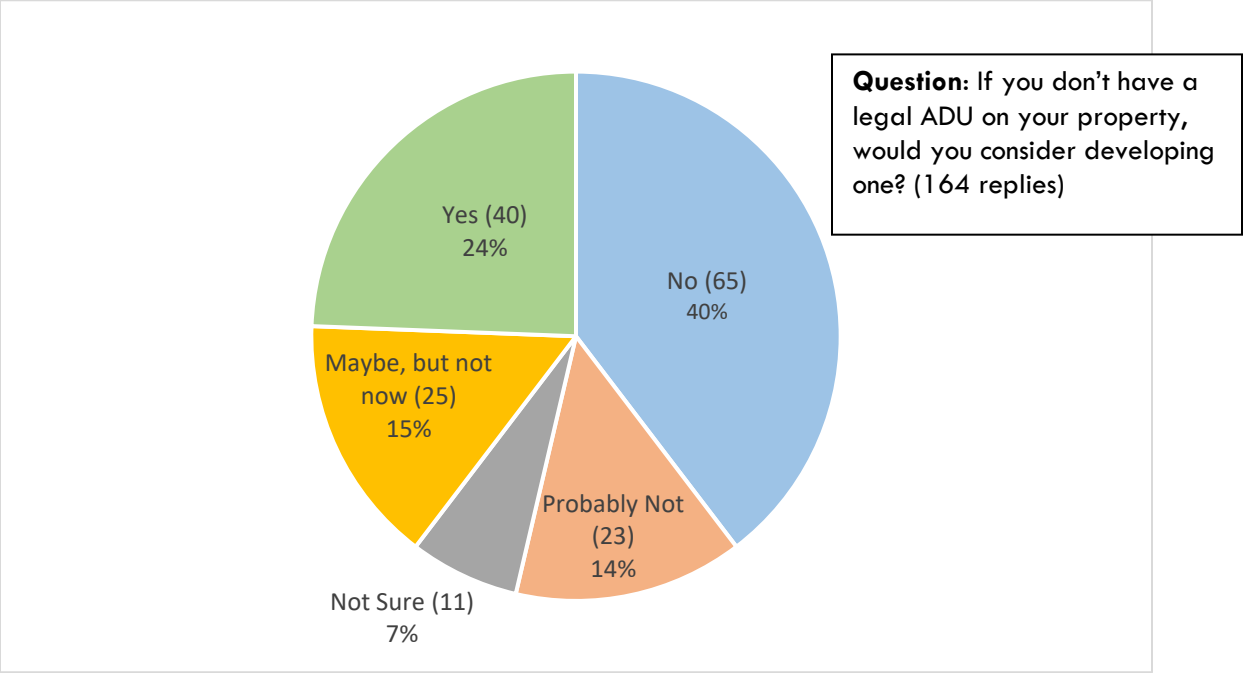


Figure C-3: Level of Interest in ADU development (N=164)

The chart above suggests that more than half of the City's residents are not interested in developing an ADU on their properties, and another quarter are undecided or not interested at this time. To flesh out possible barriers, Question 4 included a follow up asking why respondents were not interested. The responses suggest it is primarily a lifestyle choice rather than the result of regulatory or cost barriers. About one-third (51) listed the loss of privacy as a factor, and another one-third (48) indicated they didn't want to deal with tenants. The number of respondents listing the "permitting process" as a factor was relatively small (27 out of 164) and the percentage listing "cost" as a factor (24 out of 164) was even smaller. About 10 percent of the respondents cited lack of space as their reason.

Location of Possible ADUs

Those who expressed some interest in adding an ADU were asked where they might locate the ADU on their properties. The responses can potentially help inform local programs that facilitate ADUs in particular locations. There were 85 responses, representing more than 40 percent of

the total survey respondents. Conversion of an existing accessory building (such as a guest house or barn) was the most commonly selected choice (38 responses), followed by a new detached structure (21 responses) and conversion of existing space in the house (6 responses).

Only one respondent indicated they would build an addition to their home. Nineteen of the respondents were not sure where they might locate an ADU. Again, a majority (about 115) were not interested in adding an ADU.

The responses suggest stronger demand for traditional ADUs than Junior ADUs, given the large number of respondents indicating they would built or convert an accessory structure, rather than use space within their own homes.

Likely Use of Future ADUs

Respondents were asked how they would use an ADU on their property if they developed one in the future. The responses to this question are important, as the objective of the program is to create rental housing opportunities or opportunities for on-site care givers. Using the ADU as a home office or space for occasional house guests would not accomplish State-mandated housing program goals. Figure C-4 shows the responses to the question.

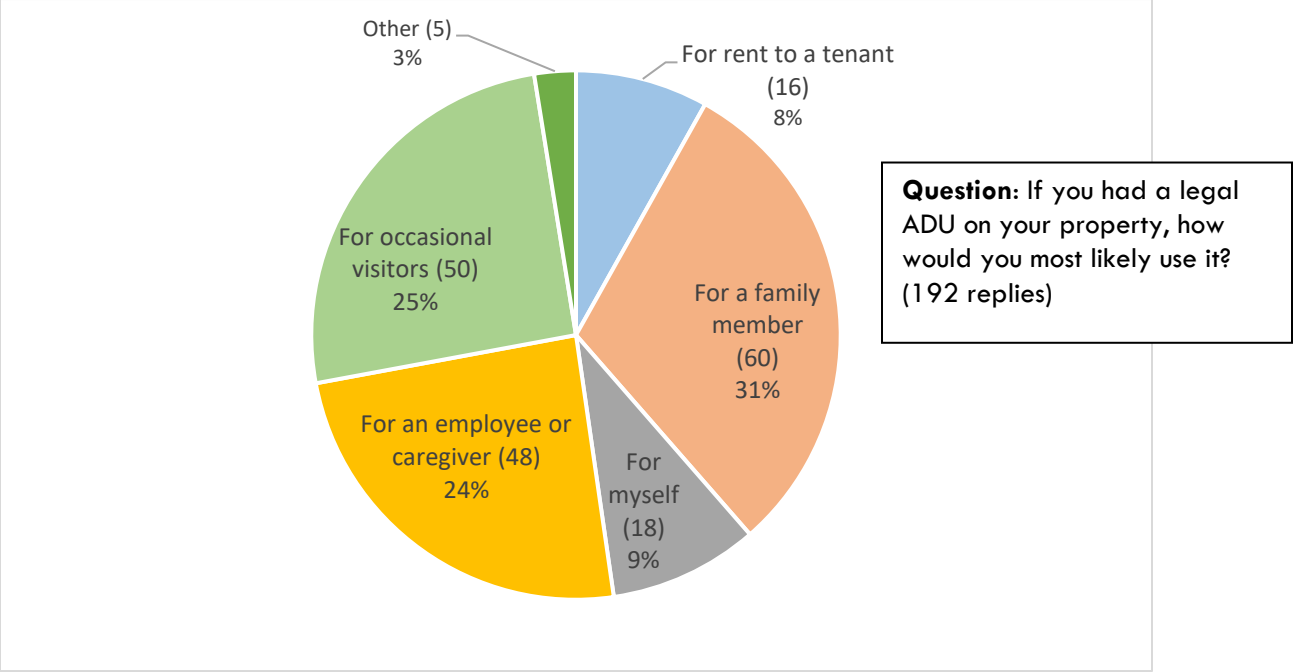


Figure C-4: Likely Use of Future ADUs (N=192)

The responses indicate that roughly one-third would use the ADU for another household, including 16 who suggested they would rent it to a tenant and 48 who suggested they would use it for a domestic employee or caregiver. The latter statistic is particularly important, as it suggests a potential resource for health care workers, elder care professionals, construction and landscape workers, and others who may work in Rolling Hills but lack the financial resources to live here. Nearly a third of the respondents indicated they would use the ADU for a family

member. The family member could be an extension of their own household or a relative or relatives living independently as a separate household. It is worth noting that only a quarter of the respondents indicated they would use the ADU for occasional visitors—historically, this has been the intended use of guest houses in the city.

Use of ADUs as Affordable Housing

Respondents were asked if they would consider limiting the rent on an ADU so that the unit was affordable to a lower income household. The question specifically asked if the respondent would consider a deed restriction that maintained the rent at a reduced rate (such as $1,200/ month for a two-person household) to help the City meet its State-mandated affordable housing requirements. Of the 194 surveys returned, 25 indicated they would consider this and another 20 indicated they might consider this ("maybe"). This represents nearly one-quarter of the total respondents. Another one-quarter indicated they would need more information before deciding. About 35 percent indicated they would not consider a lower income affordability restriction and 15 percent did not respond.

Figure C-5 shows the responses to this question. The data suggests that an "affordable" ADU program could generate sufficient participation for the City to meet its entire lower-income housing allocation through ADUs.

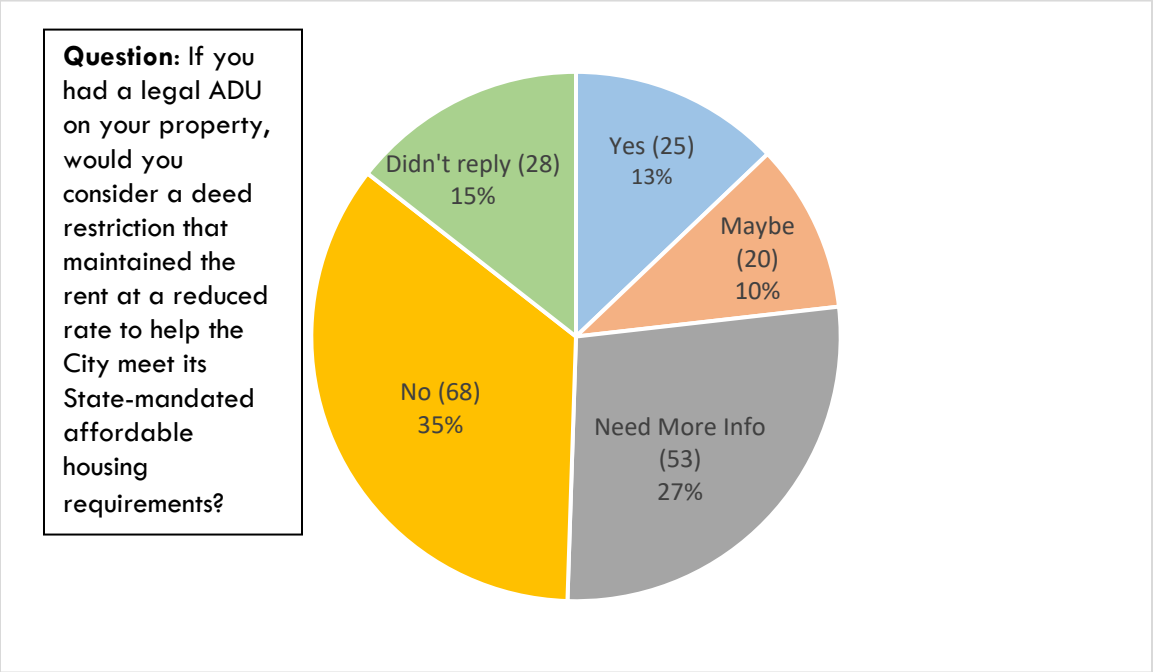


Figure C-5: Viability of ADUs to Meet Very Low Income Housing Assignment (N=194)

For the 98 respondents who answered "Yes", "Maybe," or "Need More Information", the survey asked a follow-up question, which is the maximum length of time the respondent would consider acceptable for an affordability deed restriction. Two respondents did not reply, but the other 96 provided the answers below:

- 20 would consider a 5-year term
- 2 would consider a 10-year term

- 3 would consider a 20-year term
- 17 would consider a deed restriction that ended when they sold the house
- 59 were not sure or answered "other"

The responses suggest that long-term deed restrictions (10 or 20 years) and affordability contracts that "run with the land" would have limited participation. Residents are more open to short-term arrangements such as five-year affordability terms, and flexible arrangements that would not encumber the resale of their homes. This is an important consideration in the event a program is established.

Incentives

The final question in the survey asked respondents to select from a menu of possible incentives that might make a rent-restriction on an ADU more acceptable to them. Respondents were invited to select as many of the choices as they wanted. The most frequently selected options are shown in descending order in Figure C-6 below:

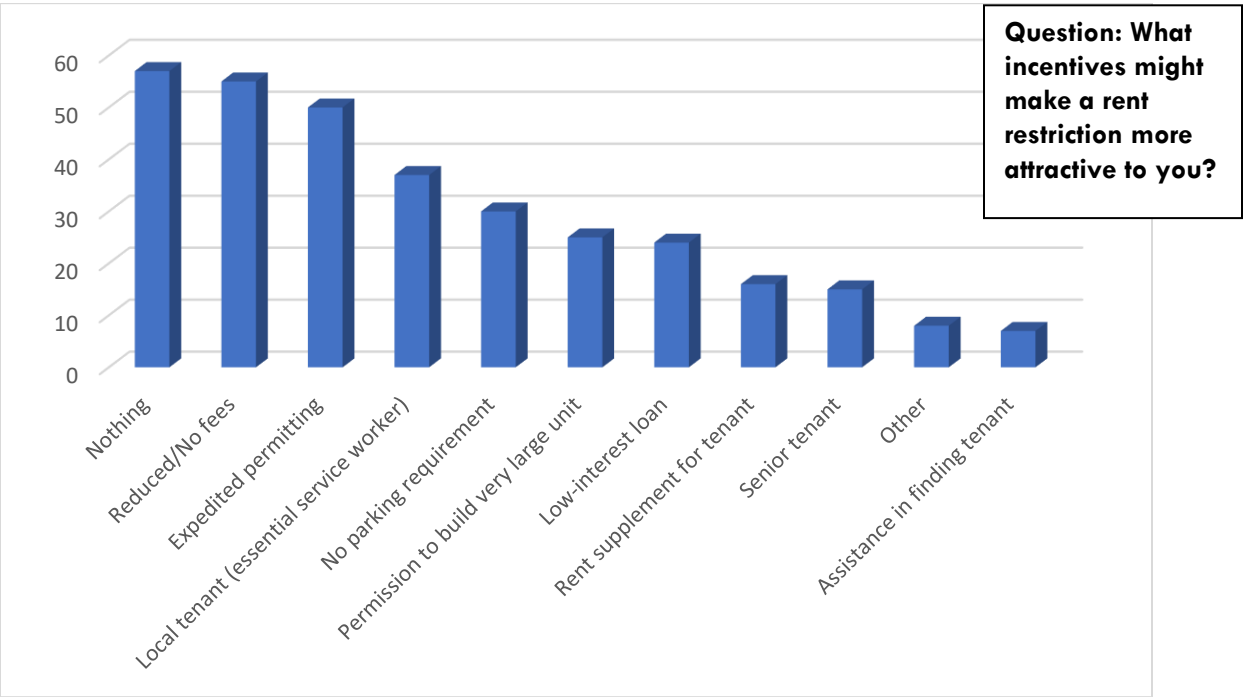


Figure C-6: Ranking of Potential Affordable ADU Incentives

The most frequently selected option was "nothing." However, 55 respondents indicated that fee waivers or reductions would be an incentive, and 50 said expedited permitting would be an incentive. Many respondents were also supportive of the idea of rent-restricted ADUs serving local essential service workers such as fire-fighters and teachers. The least popular incentive was assistance in finding a tenant.

Other Comments

The survey provided an opportunity for residents to make general open-ended comments on ADUs and housing issues in Rolling Hills, as well as the factors the City should consider as new ADU policies and regulations are developed. Feedback was provided by 52 of the respondents. This is summarized below.

Most of the open-ended comments expressed negative views about ADUs and their potential impacts on the character of Rolling Hills, as well as concerns with State housing mandates and the erosion of local land use control. Numerous concerns were raised about safety, security, and privacy. There were also concerns expressed about noise, parking, traffic, evacuation capacity, and impacts on the community's rural, equestrian feel. Some respondents expressed concerns that they would not be able to choose their own tenants if they created an ADU or would be penalized if they created an ADU but did not rent it. Questions were also raised about property tax impacts, septic system impacts, and whether tenants would pay association dues and have access to RHCA facilities.

There were also supportive comments, particularly from persons interested in creating ADUs for aging parents, or for themselves to age in place while renting out their primary home. Several respondents indicated an interest in renting space to a care giver. One respondent suggested prioritizing rentals to employees of the RHCA. Some respondents expressed their support for the idea of using the school property to meet affordable housing needs rather than relying on ADUs.

Survey

A copy of the survey mailed to residents follows this page.

City of Rolling Hills Accessory Dwelling Unit Survey

October 2020

Dear Resident:

Please take a few minutes to complete this survey about Accessory Dwelling Units (ADUs) in Rolling Hills. Your responses will help us understand community goals and concerns and will be used to develop new policies for consideration by the Rolling Hills Planning Commission and City Council.

State law requires that all cities and counties allow ADUs, provided they meet certain standards. Some of the potential benefits of ADUs include rental income for homeowners, on-site living space for caregivers or household employees, and accommodation of extended family (adult children, parents, etc.). ADUs can also help residents "age in place," particularly as homeowners need more care or assistance.

The City's objective in carrying out this survey is to determine the level of interest in ADUs among Rolling Hills residents and evaluate their potential to meet local housing needs. Like all cities in California, Rolling Hills is required by State law to provide for its "fair share" of the region's housing needs, including low- and very low-income households. ADUs provide a way to do that without significantly changing the character or appearance of the community. Some communities even provide special incentives for homeowners who rent ADUs at reduced rates to very low-income households, including household employees and local essential service employees.

The deadline for returning your survey is November 20, 2020. Please use the enclosed postage-paid envelope to return the survey to City Hall by this date. If you would prefer to complete the survey on-line, please visit www.surveymonkey.com//rollinghillsADUsurvey.

Please do not include your name or address on the survey as the intent is for all responses to be anonymous. If you have questions about the survey or about ADUs in Rolling Hills, please call Meredith Elguira at (310) 377-1521.

What are ADUs and JADUs?

Accessory Dwelling Units (ADUs) are sometimes referred to as "in-law apartments" or "second units." They are small independent dwelling units that exist on single family properties, either in a detached structure or as part of the primary structure with a separate entrance. ADUs include a bedroom or sleeping area, a bathroom, and cooking facilities.

Rolling Hills has adopted specific zoning standards for ADUs as required by state law. The maximum allowable size is 850 square feet for a studio or one-bedroom and 1,000 square feet for a two bedroom. Other standards also apply.

Junior Accessory Dwelling Units (JADUs) are a type of ADU created by converting existing living space inside a single-family home (usually a bedroom) to a separate living space. They have a maximum size of 500 square feet. JADUs may have their own kitchenette or bathroom, or they may share the facilities in the primary residence.

State law allows a property to have both an ADU and a JADU if certain requirements are met.

Thank you for taking the time to complete the survey!

Accessory Dwelling Unit Survey

1. Does your property include any of the following features? (circle all that apply)

A. A legally permitted Accessory Dwelling Unit (ADU) with kitchen, bath, and separate entrance?

B. A guest house, pool house, casita, barn or other outbuilding that has heat and plumbing?

_____ Check here if the space has a kitchen or other cooking facilities

C. A space inside your house with a separate entrance from outside and independent living quarters, including a bedroom/ sleeping area and bathroom?

_____ Check here if the space also has its own kitchen or cooking facilities

D. Another space within your house that could easily be converted into an accessory dwelling unit?

2. If you circled one of the choices above, how is the space currently used? (If you circled more than one choice, please provide a response for each applicable space on your property. Use the blank line to the right of each choice below to describe the space you're referring to).

A. It is occupied by a tenant paying rent _____

B. It is occupied by a family member or long-term visitor who is not part of my household _____

C. It is occupied by a caretaker or household employee(s) _____

D. It is used occasionally by guests or visitors _____

E. My own household uses the space _____

F. The space is currently not occupied by anyone, or is used for storage _____

G. Not applicable

2A. About how large is the space of each applicable feature from Question 1 (in square feet)?
(please skip question if not applicable)

_____ _____ _____

2B. If rent is collected for the space, what is the monthly amount? (if multiple spaces are rented, please indicate the rent for each area). (Please skip question if not applicable)

_____ _____ _____

3. **If you have space on your property occupied by a household other than your own, please circle the category in the table below that most closely matches their annual income based on the number of persons in their household, if you know that amount.** Recent data from the US Census indicates that 16 percent of Rolling Hills households have annual incomes below $50,000. ADUs (or potential ADUs) may provide a resource for these households. If Question 3 does not apply to your property, please skip to Question 4.

	Number of Persons in the Household (for other occupants only, not your own household)					
	1	2	3	4	5	6
Annual Income	$23,700 or less	$27,050 or less	$30,450 or less	$33,800 or less	$36,550 or less	$39,250 or less
	$23,700-$39,450	$27,050-$45,050	$30,450-$50,700	$33,800-$56,300	$36,550-$60,850	$39,250-$65,350
	$39,450-$63,100	$45,050-$72,100	$50,700-$81,100	$56,300-$90,100	$60,850-$97,350	$65,350-$104,550
	$63,100 or more	$72,100 or more	$81,100 or more	$90,100 or more	$97,350 or more	$104,550 or more

4. **If you don't currently have a legal ADU on your property, would you consider developing one? (circle one answer)**

No	Probably Not	Not Sure/ Neutral	Maybe, but not at this time	Yes

4A. If you answered A, B, or C, what are the reasons? (Circle All that Apply)

No Interest	Cost	Loss of Privacy	Permitting Process	Don't Want to Deal with Tenants	No Space

Other (please explain below)_____

_____

5. **If you decided to build an ADU on your property, where would it be located? (circle one)**

New detached structure on my property	Conversion of an existing accessory building on my property (e.g., guest house, barn, etc.)	An addition to my house	Conversion of space already within the footprint of my house	Not sure	I would not add an ADU on my property

6. **If you had a legally approved ADU on your property, how would you most likely use it? (circle one)**

For rent to a tenant	For a family member	For myself	For a household employee of caregiver	For occasional visitors	Other

7. If you had a legally approved ADU on your property, would you consider a deed restriction that maintained the rent at a reduced rate (for example $1,200/month, which is considered the threshold for an "affordable" housing unit for a two person very low income household) to help the City meet its State-mandated affordable housing requirements? (circle one)

A. Yes
B. Maybe
C. I would need more information first
D. No

7A. If your answer to Question 7 was A-C, what would be the maximum length of time you would consider for the rent restriction? (circle one)

A. Five years
B. 10 years
C. 20 years
D. Until I sell the house
E. Not Sure
F. Other _____

7B: What incentives might make a rent restriction more attractive to you? (circle all that apply)

A. No parking requirement
B. Reduced (or no) permit fees
C. Expedited permit processing
D. Assistance in finding a tenant
E. Rent supplement for the tenant
F. Local tenant (e.g., school teacher, fire fighter, child care worker)
G. Senior tenant
H. Low-interest financing to create the ADU
I. Permission to build a unit larger than 1,000 square feet
J. Nothing
K. Other _____

8. To ensure that we are hearing from a cross-section of the community, please tell us a little about you:

Circle one choice in each box

Age	**How Long Have You Lived in Rolling Hills?**	**How Many People Are in Your Household?**	**Are you a Homeowner or a Renter?**
Under 35	Less than 10 years	1	4	Homeowner
35-49	10-19 years	2	5	Renter
50-64	20-29 years	3	6 or more	
65+	More than 30 years		

9. Please share any concerns you may have about ADUs in Rolling Hills, or factors you'd like us to consider as new ADU policies and regulations are developed: