CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: July 3, 2012

To: Honorable Mayor & City Council

From: Susan Healy Keene, AICP, Director of Community Development

Subject: Request of Vice Mayor Mirisch Regarding Limiting Conversion of Rental Apartments to Condominiums and Promoting Construction of New Rental Apartments

Attachments:
1. Beverly Hills Housing Plan
2. Code Section Regarding Relocation Fees for Tenants

INTRODUCTION

Pursuant to a request by Vice Mayor Mirisch, information is provided regarding the City's efforts to limit conversion of rental apartments to condominiums and to promote construction of new rental apartments.

BACKGROUND

Most of the information provided in this report is included in the City's Housing Element, one of the State-required elements of the City's General Plan. The Housing Element is a guide for expanding housing opportunities and services for all household types and income groups and provides policy guidance for local decision-making related to housing. The City of Beverly Hills Housing Element describes existing programs the City intends to continue (and sometimes expand) as well as new programs the City intends to implement as a means of assuring that the community's housing needs are met.

The City's current Housing Element for the period 2008–2014, was adopted by the City Council on November 15, 2011 and certified by the State on February 13, 2012. This is the City's first State-certified Housing Element and it was certified based on the City's demonstration that it has programs in place and is proposing programs that address issues such as the maintenance and promotion of rental housing. The Housing Element includes a Housing Plan with a series of goals and policies, many of which still need to be implemented. Staff is moving forward with

implementation, beginning with programs that are required by State law such as adopting zoning amendments to allow special needs housing. Proposed special needs housing amendments will be reviewed by the Planning Commission on June 28, 2012 and are scheduled for review by the City Council in July, 2012.

DISCUSSION

The Housing Element includes a profile of the City to allow the City to identify and analyze existing and projected housing needs. The profile shows Beverly Hills has a stable population rate of 35,000–36,000 residents, with the Southern California Association of Governments (SCAG) projecting only moderate levels of new growth over the next decade. Beverly Hills has a much larger percentage of renters than homeowners (68% of residents rent their homes). The proportion of seniors and young adults has decreased over time and the Housing Element posits that this decrease may be directly related to the relatively high cost of rental housing in the City and a relatively low vacancy rate. As a result of this information, the Housing Element concludes that the community's most pressing housing need is for affordable housing for seniors and young adults. There is also a need for housing for families with school-age children; however, the Housing Element notes that the number of families with children is increasing in the City, showing that this need is being met, whereas the number of seniors and young adults in the City is decreasing. It is important to note that while the overall proportion of seniors (age 65+) has decreased in Beverly Hills, this age group remains a significant portion of the community, accounting for almost 18 percent of residents - approximately the same percentage of the Beverly Hills population as young adults (age 19-34) and school age residents (age 5-18).

Housing Plan

The Housing Element is required to show how the City plans to meet the identified housing needs of the community as described above, including the preservation and promotion of rental housing. The Housing Element's Housing Plan identifies goals and policies to address these needs, followed by implementation programs. Goals and policies that relate most directly to the maintenance and conservation of rental housing are summarized below. There is also a long list of goals, policies and implementation programs to encourage the construction of rental housing and these are in the attached Housing Plan (Attachment 1):

Maintenance and Conservation of Existing Rental Housing

Housing Policy 1.3 - Home Repair Assistance.
Provide assistance to low- and moderate-income households to encourage the adequate maintenance and rehabilitation of existing housing, such as through the City's Handyworker program.

Implementation Program 9.4 - Home Repair and Improvement.
The federally-funded Handyworker program provides minor repairs, improved mobility, and security assistance for lower-income tenants thereby maintaining units in a safe and healthy manner at no cost to the landlord. Most of the City's rental housing was constructed prior to 1960 (76 percent of housing) and nearly 35 percent was built prior to 1940, so this program assists landlords in maintaining older housing that is often more affordable housing.

Housing Policy 1.5 - Conservation of Existing Rental Housing.
Regulate the conversion of rental apartments to condominium ownership.

Implementation Program 9.5 - Condominium Conversions.
This program limits loss of rental housing units as a result of the conversion of existing apartment buildings to condominiums by setting an annual cap and providing protections for tenants.

City ordinance 82-O-1839 (BHMC 10-2-712) limits the rate at which existing apartment units may be converted to common interest developments (condominiums or cooperatives) by setting an annual cap on demolitions and providing protections for tenants (tenant notice, relocation provisions, right of first purchase, and extended lease provisions for senior and disabled households).

The cap would allow the conversion of 518 apartment units in 2012 (.05 multiplied by the total number of multi-family housing units). As shown by the table below, the City has never approached the cap in terms of the actual number of conversions, and would not be close to the cap even if demolition of existing apartment units was included in the calculation.

Demolitions

Year	Buildings	Apartments
2008	1	7
2009	1	20
2010	2	11
2011	0	0

Conversion to Condominiums

Year	Buildings	Apartments
2008	3	14
2009	0	0
2010	1	31
2011	0	0

The implementation program for this policy includes an evaluation of the effectiveness of the ordinance and potential modification to require a number of units in any building converted to be set aside as affordable rental or ownership housing (inclusionary housing). The City will also evaluate the benefit of offering an in-lieu fee option that would go into the City's Housing Trust Fund and be used to provide affordable housing elsewhere in the City. (See attached Housing Plan for additional information regarding the proposed inclusionary housing and Housing Trust Fund programs.)

Housing Policy 1.6 - Rent Stabilization.
Continue to provide tenant protections through the City's Rent Stabilization Ordinance.

Implementation Program 9.6 - Rent Stabilization.
Continue the City's rent stabilization ordinance to investigate tenant complaints regarding unlawful rent increases, service reductions, evictions and relocations.

The City enforces two rent stabilization ordinances (Beverly Hills Municipal Code Title 4 Chapters 5 and 6) that place limits on rent increases for all apartment units in the City with greater controls for tenants residing in certain multi-family residential apartment units as defined by Code. A Chapter 5 Rent Stabilization tenant is primarily defined as a tenant who currently occupies a dwelling unit located in a structure completed before September 20, 1978 with a valid apartment rental agreement of $600.00 or less in monthly rent. A Chapter 6 Rent Stabilization tenant is primarily defined as a tenant who initially entered into a valid rental agreement in an amount in excess of $600.00 in monthly rent and Chapter 6 would cover most of the City's rental units.

The rent for Chapter 5 tenants may be increased annually by eight percent (8%) or the average Consumer Price Index, whichever is less. Annual rent increases for apartment units that do not fall under these sections are limited to ten percent (10%). Units are no longer controlled once voluntarily vacated or if tenants are evicted for just cause. The rent control ordinances do not require registration of apartments and consequently the number of units initially regulated by each ordinance is unknown, nor is the extent of change in the numbers of the units governed by each of the ordinances. Staff relies on evidence provided by the tenant to determine whether the tenant is subject to Chapter 5 or Chapter 6 regulations.

Relocation Fees

The Beverly Hills Municipal Code provides tenant relocation fee assistance for Chapter 5 and Chapter 6 tenants as follows (Attachment 2):

> Chapter 5 Tenants – relocation fee provided in the case where a landlord seeks in good faith to demolish or convert an existing apartment building into a condominium or cooperative;
>
> Chapter 6 Tenants – relocation fee provided when a landlord converts an apartment building into a condominium but not when a landlord demolishes an apartment building to construct a condominium.

The City's Community Preservation Office administers the rent stabilization program which affects approximately 12,800 apartment units in the City. Community Preservation officers respond to approximately 480 inquiries from residents annually, with approximately 30 complaints requiring follow-up investigation. Most complaints are resolved within 45 days with the remainder requiring additional enforcement action.

Housing Policy 1.7 - Preservation of Affordable Housing.
Support preservation of publicly subsidized rental housing to maintain affordability to lower income households.

Implementation Program 9.7 - Monitoring Affordable Housing.
Maintain existing assisted housing in the City, specifically the City's Senior Housing on Crescent Drive (150 units of very low income housing for seniors) and existing Section 8 rental vouchers, and continue to seek ways to increase access of qualified Beverly Hills residents to these programs.

In addition, the City through its Community Assistance Grant program allocates funds to programs that support the City's commitment to services for the most vulnerable members of the community which helps residents remain in their homes.

Limits on New Condominium Development

The City's development standards for multi-family buildings apply to both rental apartment buildings and condominium buildings and include incentives for larger buildings as well as restrictions. Larger multi-family buildings are encouraged in the City's Zoning Code because the greater the site area, the greater the density allowed by Code. This is an inducement for a developer to assemble lots to build a larger project but it also allows for larger and better circulating subterranean garages. Less density is allowed on sites within 170 feet of a single-family lot and on streets with widths less than thirty-four feet. To ensure multi-family buildings do not become too large, the City limits new buildings to a width or depth of 175 feet in the multi-family residential zones (BHMC 10-3-2809).

FISCAL

The cost to implement the adopted General Plan and specifically, the Housing Element, are mainly staff costs to process code amendments and develop programs and these costs are reflected in the City's budget as part of the Community Development Department's work plan.

RECOMMENDATION

Staff requests direction as to whether staff should identify actions other than those discussed in the certified Housing Element to address the loss of rental housing in the City and to promote new rental housing.

Susan Healy Keene, AICP,
Director of Community Development

Approved By

Susan Healy Keene

Attachment 1

Housing Plan

(Part of City's Adopted Housing Element)

Housing Plan

The Housing Plan is the City's goals and policies, and programs and quantified objectives to meet the community's housing needs.

2008-2014 Goals and Policies

H1 Maintenance and Conservation. Maintain and enhance the quality and character of existing housing and residential neighborhoods.

H 1.1	**Neighborhood Character.** Maintain the character and quality of residential neighborhoods. (Imp. 9.1, 9.2)
H 1.2	**Healthy and Safe Housing.** Support healthy neighborhoods by addressing public health and safety issues, performing property inspections, and eliminating threats to public health. (Imp. 9.3)
H 1.3	**Home Repair Assistance.** Provide assistance to low- and moderate-income households to encourage the adequate maintenance and rehabilitation of existing housing, such as through the Handy-worker program. (Imp. 9.4)
H 1.4	**Historic Preservation.** Promote the preservation of historically and architecturally significant buildings and the quality of historic neighborhoods through land use, design and housing policies.
H 1.5	**Conservation of Existing Rental Housing.** Regulate the conversion of rental apartments to condominium ownership. (Imp. 9.5)
H 1.6	**Rent Stabilization.** Continue to provide tenant protections through the City's Rent Stabilization Ordinance. (Imp. 9.6)
H 1.7	**Preservation of Affordable Housing.** Support preservation of publicly subsidized rental housing to maintain affordability to lower income households. (Imp. 9.7)

2008 – 2014 Housing Element Goals and Policies

H2 Housing Supply and Diversity. Provide a variety of housing types and adequate affordable housing supply to meet the existing and future needs of the community.

H 2.1	**Affordable Housing Incentives.** Offer incentives, including density bonuses, where feasible to offset or reduce the costs of developing affordable housing. Proactively seek out new approaches in the provision of affordable housing. (Imp. 10.1, 11.2, 12.2)
H 2.2	**Inclusionary Housing.** Pursue adoption of an inclusionary housing program to integrate affordable units within market rate developments, and increase the availability of affordable housing throughout the community. (Imp. 10.2)
H 2.3	**Housing Trust Fund.** Create a Housing Trust Fund to financially assist nonprofit and for-profit developers in the creation of affordable housing. (Imp. 10.3)
H 2.4	**Second Units.** Promote second units as a means of providing lower cost housing options for seniors, caretakers, and others. (Imp. 10.4)
H 2.5	**Adaptive Reuse.** Support innovative strategies for the adaptive reuse of residential and commercial structures to provide for a wide range of housing types. (Imp. 12.2)
H 2.6	**Site Information.** Provide information to residential developers regarding sites that may be suitable for new affordable housing development. (Imp. 10.5)
H 2.7	**Environmentally Sustainable Housing.** Promote conservation of water and energy, use of sustainable building materials and drought-resistant landscaping to reduce the operating costs and carbon emissions associated with housing. (Imp. 10.6)

2008 – 2014 Housing Element
Goals and Policies

H 2.8 **Transit-Oriented Housing.** Promote access, where feasible, from residential neighborhoods and new residential development to existing transit stops and to the anticipated subway stations. (Imp. 12.2)

H 2.9 **Jobs/ Housing Balance.** Promote programs seeking to provide housing opportunities for people who work in the City as a means of reducing long commutes, easing local traffic, improving air quality and helping to achieve a balanced regional jobs/housing distribution for the western portion of Los Angeles County. (Imp. 10.7)

H 2.10 **Workforce Housing.** Study and develop programs to increase the amount of rental and ownership housing affordable to the local workforce. (Imp. 10.7, 12.2)

H 2.11 **Partnerships for Affordable Housing.** Explore opportunities for partnerships with adjacent jurisdictions and other governmental agencies in the provision of housing. Collaborate with non-profit organizations to provide greater access to affordable housing funds. (Imp. 10.7)

H3 Fair Housing and Special Needs Residents. Promote equal housing opportunities for all residents; including Beverly Hills' special needs populations, so residents have a choice of appropriate housing.

H 3.1 **Fair Housing Practices.** Promote fair housing and non-discrimination in the sale and rental of housing by coordinating with organizations that provide information, counseling and mediation on fair housing laws and landlord-tenant disputes. (Imp. 11.1)

H 3.2 **Senior Housing.** Support the provision of a variety of housing options for seniors to foster independence and the ability of seniors to remain in the community as they age. (Imp. 11.2)

2008 – 2014 Housing Element
Goals and Policies

H 3.3	**Senior Support Services.** Continue to offer housing support services for seniors, including case management and home-share programs. (Imp. 11.2, 11.3)
H 3.4	**Housing Accessibility.** Address the special housing needs of persons with disabilities through adoption of reasonable accommodation procedures, homeowner's assistance grants, and supportive housing. (Imp 11.4)
H 3.5	**Homeless Programs.** Continue to provide support to community service organizations that assist the homeless through provision of housing and services. (Imp. 11.5)

H4 Constraints. Mitigate potential governmental constraints on the maintenance, improvement and development of housing, while maintaining community character.

H 4.1	**Zone for a Variety of Housing Types.** Amend the Zoning Ordinance, as required by State law, to facilitate the provision of a variety of housing types for special needs populations, including persons with disabilities, the homeless, and persons at risk of homelessness. (Imp. 12.1)
H 4.2	**Adjust Development Standards.** Evaluate and modify development standards as appropriate to better facilitate the provision of affordable housing. (Imp. 12.2)
H 4.3	**Fee Reduction.** Establish a process to provide fee waivers to facilitate the production of affordable, senior, and workforce housing. (Imp 12.3)

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2008-2014 Housing Programs

The Housing Element programs have been numbered to following sequentially behind the City's other General Plan Programs, which are numbered 1.0 – 8.0.

Housing Element statutes now require an analysis of the needs of extremely low income (<30% AMI) households, and programs to assist in the creation of housing for this population. The Beverly Hills Housing Element sets forth numerous programs which help to address the needs of extremely low income households, including: Home Repair and Improvement (Imp 9.4); Rent Stabilization (Imp 9.6); Monitoring Affordable Housing (Imp 9.7); Housing Trust Fund (Imp 10.3); Second Units (Imp 10.4); Partnerships with Affordable Housing Developers (Imp 10.7); Senior Housing Development (Imp 11.2); Senior Case Management (Imp 11.3); Senior Homesharing (Imp 11.4); Funding for Homeless Services (Imp 11.6); and Zoning Text Amendments for Special Needs Housing.

9.0 Conserve and Improve Existing Housing Stock

Imp 9.1 Upkeep and maintenance of vacated buildings

The City requires the exterior of vacated multi-family structures that will be demolished for redevelopment to be adequately maintained as a condition of tentative map approvals and extensions.

The City's Code Enforcement Office (Community Preservation) maintains a list of all vacant properties in the City, monitors the sites, and works with the property owners to assure that the properties are maintained in an appropriate manner.

Timeline: Ongoing

Funding Source: Department Budget

Responsible City Section: Community Development Department

Imp 9.2 Property Maintenance

The City requires housing to be maintained in an aesthetic, safe and habitable manner consistent with City codes. The program is run as part of the City's comprehensive Code Enforcement program (Community Preservation) and is structured as a reactive, complaint-driven inspection process. The City will explore restructuring the program to include a random housing inspection program.

Timeline: On-going, explore program restructuring by 2013

Funding Source: Department Budget

Responsible City Section: Community Development Department

Imp 9.4 Home Repair and Improvement

The Handyworker Program provides minor home repair, and improved security and mobility assistance to low income tenants and homeowners in single and multi-family units. The program is administered by Jewish Family Services at no cost to the qualifying low-income owner or tenant. Jewish Family Services provides community outreach, applicant screening, pre-construction site visits, repairs and remodeling, and confirmation that the property meets the City's standards for habitability.

Population Served: Extremely Low, Very-Low and Low- income (up to 80% AMI)households

Eligible Repairs: Interior/ Exterior Repairs, Energy Conservation Activities, Security/ Safety Improvements

Managed By: Jewish Family Services

Maximum Award Amount: $2,000 grant. Award amount may increase up to $5,000 if additional repairs are required to meet the City's standards for habitability.

Target: Serve 40 low income households per year.

Timeline: On-going

Funding Source: CDBG

Responsible City Section: City Manager's Office

Imp 9.5 Condominium Conversions

This program limits loss of rental housing units due to the conversion of existing apartment buildings to condominiums by setting an annual cap and providing protections for tenants.

Currently, apartment buildings proposed for conversion to condominium ownership are subject to the City's condominium conversion regulations (Beverly Hills Municipal Code Sections 10-2-710, 711, and 712). These regulations set forth a series of tenant protections including tenant noticing, relocation provisions, right of first purchase, and extended lease provisions for senior and disabled households. These regulations also set an annual limit on the number of conversions allowed.

The City will evaluate the effectiveness of the existing ordinance, and consider modifying it to require a number of units in any building converted to be set aside as affordable rental or ownership housing. The City will also evaluate the benefit of offering an in-lieu fee option that would go into the City's Housing Trust Fund and be used to provide affordable housing elsewhere in the City.

Timeline: Evaluate ordinance revisions to address affordability in 2011, and, as appropriate, amend the ordinance in 2012.

Funding Source: Departmental Budget

Responsible City Section: Community Development Department

Imp 9.6 Rent Stabilization

Continue the City's rent stabilization ordinance to investigate tenant complaints regarding unlawful rent increases, service reductions, evictions and relocations.

The Community Preservation Office administers the rent stabilization program which affects approximately 12,800 apartment units in the City. The ordinance limits annual rent increases to no more than ten percent and provides tenant protections through required noticing of rent increases and evictions. Community Preservation officers respond to approximately 480 inquiries from residents annually, with approximately 30 complaints requiring follow-up investigation. Most complaints are resolved within 45 days, with the remainder being referred to "stepped up enforcement action", including but not limited to citations and further legal action.

Timeline: On-going

Funding Source: Departmental Budget

Responsible City Section: Community Preservation

Target: Investigate 30 complaints per year.

Imp 9.7 Monitoring Affordable Housing

The City of Beverly Hills currently has one assisted housing project providing 150 units of affordable rental housing to very low income seniors. This project was originally financed under the HUD Section 202 program with project-based Section 8 certificates providing ongoing affordability. Although this project is not currently at risk of being converted to market rate housing, the City will continue to coordinate with the service provider to monitor Section 8 renewals, advise tenants in advance of any potential conversion dates, and provide opportunities to continue affordability covenants.

Number of Units: 150

Number of Affordable Units: 150 (Extremely Low and Very Low Income, Senior/ Disabled)

Year Built: 1988

Affordability Covenant: 40 years

Owner/Operator: Menorah Housing Foundation

Timeline: On-going

Funding Source: Departmental Budget

Responsible City Section: Human Services Division, Community Services Department

10.0 Provide New Housing Opportunities

Imp 10.1 Density Bonus

Beverly Hills updated its residential density bonus ordinance in 2005 consistent with current State requirements as specified under SB 1818. In summary, applicants of residential projects of five or more units may apply for a density bonus and additional incentive(s) if the project provides for one of the following, per State policy:

- *10% of the total units for lower income households; or*
- *5% of the total units for very low income households; or*
- *A senior citizen housing development that limits residency based on age requirements for housing for older persons; or*
- *10% of the total dwelling units in a condominium for moderate income households.*

The amount of density bonus varies according to the amount by which the percentage of affordable housing units exceeds the established minimum percentage, but generally ranges from 20-35% above the specified General Plan density. In addition to the density bonus, eligible projects may receive 1-3 additional development incentives, depending on the proportion of affordable units and level of income targeting.

The State requires the following incentives to be offered in conjunction with the density bonus:

- *A reduction in parcel development standards (coverage, setback, zero lot line and/or reduced parcel sizes)*
- *Approval of mixed use zoning in conjunction with the housing project*
- *Other regulatory incentives or concessions proposed by the applicant, or the City that would result in identifiable cost reductions*

By the City's ordinance, incentives offered are determined by the Planning Commission during the review process.

Pursuant to State requirements and at the request of the developer, the City will also permit a reduced parking ratio for density bonus projects. To the extent the density bonus cannot be accommodated due to the City's development standards, the City will waive or modify applicable standards to accommodate the bonus.

In order to provide greater certainty in the type of development incentives and concessions that could be requested, the City will modify the current ordinance to include specific lists of options.

Timeline: Modify the ordinance and promote the use of density bonus incentives through the City's Affordable Housing Brochure (Imp 10.5) by 2012.

Funding Sources: Department Budgets

Responsible City Section: City Manager's Office; Community Development Department

Imp 10.2 Inclusionary Housing

Beverly Hills will pursue adoption of an inclusionary housing program to require a minimum percent of units in development to be price-restricted as affordable to lower and moderate income households. The Ordinance will require either: (a) provision of affordable housing on-site; (b) provision of affordable units off-site; or (c) payment of an affordable housing in-lieu fee. Current case law *(Palmer/Sixth Street Properties v. City of Los Angeles)* limits the application of inclusionary requirements to: 1) for-sale housing projects, 2) rental projects receiving financial or regulatory assistance from the city subject to a written development agreement.

The City will conduct an inclusionary housing nexus study to document the relationship between residential development and demand for affordable housing, and to determine both the maximum supportable and recommended in-lieu fee amount. Based on the study's findings, the City will develop and adopt an inclusionary housing ordinance structured to offer incentives to help offset the cost of providing affordable units. In-lieu fees generated from the program will be contributed to the City's Housing Trust Fund.

Incentives offered under the Inclusionary Housing program will be linked with incentives offered under the City's Density Bonus program (Imp 10.1a)

Timeline: Conduct Inclusionary Housing Nexus and In-Lieu Fee Study in 2011, and adopt Ordinance by 2012.

Funding Sources: Department Budgets; future Inclusionary Housing In-lieu Fees.

Responsible City Section: City Manager's Office; Community Development Department

Imp 10.3 Housing Trust Fund

Because the City does not have a Redevelopment Agency and has limited access to state and federal housing resources, the City faces practical and financial constraints in its ability to facilitate the construction of affordable housing. To create a more viable funding source, the City will establish a Housing Trust Fund that will be used to construct or help leverage construction of affordable housing. Potential Trust Fund resources include development agreements and in-lieu fees from an Inclusionary Housing Program. An Affordable Housing Program will be established to manage the Trust Fund and establish parameters for allocation of funds towards projects, including consideration of priority assistance to projects which include a portion of units affordable to extremely low income households.

Since January 1, 2006, the City has entered into three development agreements that included over $4 million in funds allocated for the Housing Trust Fund. To date, none of these projects has submitted for building permits, and therefore, no funds have yet been collected. This program will move forward once a funding source has been identified, and will coincide with the collection of fees.

Timeline: 2012, to coincide with the adoption of an Inclusionary Housing

Ordinance

Funding Sources: Inclusionary Housing In-lieu Fees, Development Agreements

Responsible City Section: City Manager's Office

Imp 10.4 Second Units

In compliance with AB 1866, Beverly Hills has developed both a ministerial approval process for second units that are less than 650 square feet in size, as well as a discretionary review process for larger second units proposed on properties above Santa Monica Boulevard. The City has received and approved an average of 3 discretionary applications annually since the current ordinance was adopted in 2003. In order to collect information on second units to determine who lives in them, rent ranges, size, and additional steps the City can take to encourage construction of second units, the City conducted a Citywide survey of residential property owners. One of the questions posed in the survey is the amount of rent charged on existing second units (if any), as a means of assessing affordability and contribution towards addressing the community's regional housing needs (RHNA). Of the 40 occupied second units in the survey, 81 percent were provided rent free or for a rental amount affordable to very low income households. The results of the survey indicate that the majority of second units in Beverly Hills are occupied by caregivers or elderly parents of the primary homeowner.

To further encourage the provision of second units, the City will evaluate modifications to its second unit ordinance, including:

- Greater flexibility in second unit standards in R-1 zones south of Santa Monica Boulevard
- Allowances for larger sized second units, of up to 1,000 square feet by right to reduce processing times, and facilitate the provision of second units with bedrooms (all other review requirements would remain). This may encourage housing options for single parent families and care-givers.
- For second units built above a garage, allowance for an increase in the permitted height up to the height of the primary residence.
- Allowances for reduced setback requirements where privacy is not compromised

The Community Development Department will develop a brochure to provide information on the City's second unit standards, and promote their development.

Timeline: Conduct Second Unit Survey in 2010. Evaluate revisions to current second unit standards, and amend the ordinance within one year of adoption of the Housing Element.

Funding Sources: Department Budgets

Responsible City Section: Community Development Department

Imp 10.5 Affordable Housing Production Brochure and Outreach

The City will develop a brochure to summarize available incentives offered for the development of affordable housing, including fee waivers, density bonuses, modified standards for senior and disabled housing and Housing Trust Fund resources. The brochure will also summarize the City's multi-family (R-4) development standards, highlighting density incentives for lot consolidation, the "efficiency bonus" and "bonus units above garages" zoning provisions. A series of web page and downloadable handouts will be made available on the City's website, in the permit center, and in other public information areas. [As an initial step, all materials will be mailed to major for-profit and nonprofit housing and mixed-use developers, and informational materials directing the development community to the webpage will be broadly distributed to increase awareness.]

Timeline: Develop and disseminate outreach materials in 2012.

Funding Sources: Departmental Budget

Responsible City Sections: Community Development Department

Imp 10.6 Sustainability and Green Building

"Green buildings" are structures that are designed, renovated, re-used or operated in a manner that enhances resource efficiency and sustainability. These structures reduce water consumption, improve energy efficiency, and lessen a building's overall environmental impact. The City of Beverly Hills adopted a local green building program in 2008, establishing requirements similar to the green building measures under the US Green Building Council's LEED Program (Leadership in Energy & Environmental Design). The program applied to all new multi-family, mixed-use and commercial buildings, and renovations of multi-family, mixed-use and commercial buildings totaling over 50% in cost of the building's valuation. In 2011, the City modified its existing green building program in light of the State of California's Green Building Code (known as Calgreen). In adopting the Calgreen building code local amendments were adopted in order to preserve aspects of the City's original green building program. Modifications of Calgreen include requiring new multi-family and commercial buildings to be constructed to 15% greater energy efficiency than the State's Energy Code (Title 24), and include solar energy collection systems. If compliance with the program would frustrate the ability to provide affordable housing in a project, some or the entire program can be waived.

Beverly Hills has also adopted a Sustainable City Plan in conjunction with recent amendments to its General Plan. The overall goal of the Sustainable City Plan is to reduce the City's carbon footprint by providing a model framework for sustainable practices for the environment, the economy and social equity.

Timeline: Ongoing.

Funding Sources: Departmental Budget

Responsible City Sections: Community Development, Public Works Departments

Imp 10.7 Partnerships with Affordable Housing Developers

In today's housing market, creative approaches are required to finance and build affordable and special needs housing. Beverly Hills successfully partnered with the non-profit Menorah Housing Foundation to achieve development of 150 units of affordable senior housing, and has contracted with Alternative Living for the Aging for implementation of the senior shared housing program in the past. Both of these organizations own and manage numerous affordable housing developments for seniors in greater Los Angeles and can serve as potential resources for future senior housing in Beverly Hills. Several other local non-profits have an excellent track record in securing State and federal funds to build quality, affordable housing, including –Abode Communities (formerly LA Community Design Center), West Hollywood Housing Corporation, Jamboree Housing, and National Community Renaissance. The City has recently been in talks with local non-profit housing providers and is actively pursuing partnership opportunities.

The City will initiate a partnership and continue to work with non-profit developers to assist in the development of housing affordable to extremely low and lower income households. The City will annually invite non-profit developers to discuss the City's plans, resources, site development opportunities and RFQ process. The City will select a non-profit developer to develop an affordable housing project, and will support in this effort through leveraging local Housing Trust Funds, assisting in the application for State and federal financial resources, facilitating project entitlement, and providing a package of incentives such as fee deferrals and relaxed development standards.

Timeline: Make initial contact with local nonprofits by the end of 2011. Conduct an annual meeting with builders and nonprofits to review resources, incentives and City goals. Initiate an RFQ process by the end of 2012, select a developer and pursue development of an affordable housing project. Consider providing priority assistance to projects which include a portion of units affordable to extremely low income households.

Funding Source for Administrative Costs: Departmental Budget

Funding Source for Development Cost: Housing Trust Fund

Responsible City Section: City Manager's Office, Community Development Department

11.0 Promote Equal Housing Opportunities and Special Needs Housing

Imp 11.1 Fair Housing Program

As a participating jurisdiction in the Los Angeles County CDBG program, fair housing services are coordinated by the County Community Development Commission on behalf of the City. The County currently contracts with the Housing Rights Center (HRC) to serve as the provider of fair housing and tenant-landlord information for its participating jurisdictions, including Beverly Hills. HRC provides fair housing investigation and coordinates referral services to assist individuals who may have been the victims of discrimination. Many

of the people who contact HRC have basic questions about landlord and tenant rights and responsibilities; HRC's housing counselors provide clients with comprehensive information to help resolve tenant/landlord issues.

The City will continue to promote fair housing practices, and refer fair housing complaints to Housing Rights Center. As a means of furthering fair housing education and outreach in the local community, the City will advertise the fair housing program through placement of fair housing services brochures at public counters in City Hall and the library, at the Beverly Hills Senior Center, and on the City's website.

Timeline: Initiate advertising in 2011.

Funding Source: CDBG

Responsible City Section: Human Services Division, Community Services Department

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Imp 11.2 Senior Housing Development

The need for senior housing in the City is significant and growing, with nearly 30 percent of households in Beverly Hills headed by a senior citizen. Of the City's 1,600+ senior renter households, 45 percent are lower income (<80% AMI). Extremely low income (ELI) seniors (<30% AMI) face acute affordability problems, with two-thirds spending more than half their incomes on rent. The City will actively pursue development of an affordable housing project targeted towards Beverly Hills' extremely low and lower income residents. As indicated in Program 10.7 (Partnerships with Affordable Housing Developers), the City intends to issue an RFQ and select a developer to build an affordable housing project, and will provide the following incentives to facilitate development:

- Flexible development standards (reduced parking requirements, modified setbacks, etc.)
- Density bonuses
- City support in affordable housing funding applications (targeting those that support deeper targeting to ELI households)
- Deferral/Reduction in development fees, including waiver of any potential CUP fee
- Direct financial assistance through Housing Trust Fund
- Project entitlement assistance

Timeline: Initiate an RFQ process by the end of 2012, select a developer and pursue development of a housing project affordable to the City's lower and extremely low income residents. Funding Source for Administrative Costs: Departmental Budget

Funding Source for Development Cost: Housing Trust Fund

Responsible City Section: City Manager's Office, Community Development Department

Imp 11.3 Senior Case Management Program

The City contracts with Jewish Family Services to provide a comprehensive case management program to assist frail elderly residents to remain independent and in their homes.

The following continuum of supportive services are provided to seniors who are frail, economically needy, and/or socially isolated:

- Comprehensive assessment – In-home psycho-social assessment of functional abilities, health status, mental and cognitive abilities, support network, financial health, safety risks, eligibility for government benefits and other programs. The comprehensive assessment includes:
    - Development of an individual care plan – Identifies senior's needs and associated services that will allow continued independence.
    - Service coordination – Coordination with appropriate services, including in-home care-workers, ERS, home delivered meals, assistance to obtain governmental benefits, arranging for other community based services, transportation assistance, and coordination of services with medical providers, family, and social supports.
    - Emergency Response Systems (ERS) – ERS are medical devices placed in a senior's home and connected to a central emergency location.
    - Monitoring/ home visits: Social workers make regularly scheduled home visits to assure quality of services, and that changing needs are met.
- Additional Services: Information, referral and crisis intervention, consultation and advocacy, and assistance to families to further support the senior's independent living.

Approximately 28 Beverly Hills seniors are served annually under the comprehensive case management program. In addition, Jewish Family Services provides broad case management services through the Beverly Hills Senior Center, including information, referral and crisis intervention, serving approximately 200 seniors per year.

Timeline: On-going

Funding Source: CDBG, City of Beverly Hills Community Assistance Fund

Responsible City Section: City Manager's Office

Imp 11.4 Senior Homesharing Program

Alternative Living for the Aging (ALA) provides a free shared housing program which matches older people with others (younger and older) interested in sharing their homes. Housing counselors at ALA interview each potential roommate and obtain references, leaving the decision to the potential roommates whether to make a match. Sharing a home promotes independent living, provides additional income for the provider, an affordable rent for the seeker, and the potential for deeper relationships for

both. The average age of community members in Beverly Hills is growing older, and over 750 seniors currently live alone in single-family homes in the City. Shared housing promotes the efficient use of the housing stock, and can help address the housing needs of seniors in our community. The City has provided funds to ALA in the past to help fund their roommate matching service, and anticipates the program will funded again in future years when there are fewer budget constraints. Beverly Hills residents continue to have access to ALA's home sharing program.

Timeline: Evaluate Community Assistance Funds and determine grant amount annually.

Funding Source: City of Beverly Hills Community Assistance Grant Funds

Responsible City Section: Human Services Division, Community Services Department

Imp 11.5 Accessible Housing

Pursuant to Senate Bill 520, jurisdictions are required to analyze constraints to the development, maintenance, and improvement of housing for persons with disabilities, and take measures to remove constraints. As part of this Housing Element, Beverly Hills has conducted a review of zoning, building codes, and permit processing procedures, and while the City has not identified any institutional barriers to the provisions of accessible housing, the City does not have in place specific procedures for requesting reasonable accommodations. As a means of facilitating such requests and removing potential constraints for persons with disabilities, the City will develop and adopt written procedures for reasonable accommodation requests with respect to zoning laws, permit processing, and building laws. Procedures will specify who may request an accommodation, time frames for decision-making and specific modification provisions.

Timeline: By 2011, develop and adopt specific written procedures for reasonable accommodation requests, and inform and educate the public on the process of requesting an accommodation.

Responsible City Section: Community Development Department

Imp 11.6 Funding for Homeless Services

Beverly Hills launched the CLASP (Changing Lives and Sharing Places) Homeless Outreach and Engagement Program in January 2008. The program provides street outreach workers (through Step Up On Second) to assess the needs of homeless individuals in the City, provide case management, and to refer them to the appropriate services and shelter. The CLASP program currently has 46 homeless people in the City on its active case management list. Shelter is offered through People Assisting The Homeless (PATH), funded by the City to provide approximately 1,000 shelter bed nights per year.

Through its Community Assistance Grant Program, the City funds a

variety of service organizations that serve the homeless and persons at-risk of homelessness. These organizations/programs include the All Saints Homeless Assistance Program, the Westside Food Bank, the Los Angeles Free Clinic, and the Maple Mental Health Counseling Center.

Service Providers: Step Up on Second; PATH; various other service agencies

Timeline: Annual funding allocations

Funding Source: City of Beverly Hills Community Assistance Grant Funds; Community Development Block Grant

Responsible City Section: Human Services Division, Community Services Department

12.0 Remove Governmental Constraints

Imp 12.1 Zoning Text Amendments for Special Needs Housing

As part of the governmental constraints analysis for the Housing Element update, the following revisions to Beverly Hills' Zoning Code have been identified as required under State law:

- Add a definition of "family" which is inclusive and non-discriminatory to the Code.
- Add a "Community Care Facility" category and definition to the Code. List community care facilities with six or fewer occupants as permitted by-right in residentially zoned areas. Permit Community Care Facilities with seven or more occupants in various residential zone districts with a conditional use permit.
- Add a Single-Room Occupancy (SRO) definition, use category, and development standards for SRO's to the Code. Permit SRO's with a conditional use permit within the multi-family residential R-4 zoning overlay district where congregate housing for elderly and disabled persons is allowed. Develop standards to regulate SROs.
- Add a definition for Transitional Housing, and Supportive Housing to the Code and treat them as residential uses subject to the same requirements as other residential uses of the same type in the same zone.
- Establish an Emergency Shelter definition and use category, and allow as a by-right, permitted use in the multi-family residential R-4 zoning overlay district where congregate housing for elderly and disabled persons is allowed. Shelters will be subject to the same development and management standards as other uses permitted in the specific zone. The City will develop written objective standards for emergency shelters to regulate the following as permitted under SB 2:
    - The maximum number of beds/persons permitted to be served nightly;
    - Off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial uses in the same zone;

- The size/location of exterior and interior onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- The length of stay;
- Lighting;
- Security during hours that the emergency shelter is in operation.

Timeline: Amend the zoning code in 2012 (within one year of adoption of the Element) to make explicit provisions for a variety of special needs housing.

Funding Source: Departmental Budget

Responsible City Section: Community Development Department

Imp 12.2 Adjust Development Standards

While the City's development standards are aimed at ensuring the quality of development, certain standards may have the effect of constraining the provision of certain housing types. The Housing Element constraints analysis identifies the City's minimum unit size as a disincentive to the construction of smaller, more affordable units for the City's workforce. In addition, the Element identifies the City's height districts and parking location requirements as potential constraints to development. The City will commit to reducing its minimum unit size requirements, and will conduct an analysis of its multi-family development standards and establish measurable parameters to assess which other standards serve as an actual constraint to development of housing for a range of housing types. For those standards identified as a constraint, the City will implement revisions to mitigate, to include, but not limited to an evaluation of the following:

- Replacing the current density calculation for multi-family projects in the zoning code with a maximum floor area ratio
- Modifying development standards for single-lot projects
- Allowing greater flexibility in the type, and location of multi-family parking
- Allowing the same number of units to be rebuilt on properties which have more units than currently would be allowed
- Providing additional incentives for workforce housing over and above those contained in the provisions of the State Density Bonus.

Timeline: Conduct a comprehensive analysis of multi-family development standards in 2012. Amend the zoning code by 2013 to reduce minimum unit sizes and other development standards as supported by the analysis.

Funding Source: Departmental Budget

Responsible City Section: Community Development Department

Imp 12.3 Reduced Fees for Affordable Housing

Beverly Hills collects various fees from development to cover the costs of

processing permits and providing services and facilities. The City will evaluate the economic benefit of providing waivers or reductions of certain taxes, and fees including certain project fees for developments containing very low, low- and moderate-income housing units, as well as for housing developed under the City's modified standards for Multiple-family Residences for Elderly and Handicapped Persons (Deed Restricted).

The California legislature passed AB 641 in 2007 which helps to address the cash flow problems inherent in many affordable housing projects during the construction phase. For affordable housing developments in which at least 49 percent of the units are affordable to lower income households, AB 641 prohibits local governments from requiring the payment of local developer fees prior to receiving a certificate of occupancy.

Timeline: Conduct fee study in 2012, and adopt modified development fees for affordable housing.

Funding Source: Departmental Budget
Responsible City Section: Community Development Department

Imp 12.4 Monitor the Development Review Process

Beverly Hills has formed a Development Review Taskforce. Members of the Taskforce will review the City's development review processes, identify inefficiencies and uncertainties in the City's review, and promote alternative techniques intended to streamline the process and to add greater levels of certainty in the development review process.

The City's Development Plan Review process for housing projects will be evaluated on a project-level basis to identify, and to the extent possible reduce any potential points of uncertainty in the process. All points in the review process will be evaluated; including application of the Development Plan Review findings, specifically Finding "B", which relates to a project's potential to promote harmonious development. This evaluation will be conducted in conjunction with the Annual Housing Element Report to HCD. Procedures will be modified as appropriate within one year to assure certainty in the City Development Plan Review process.

Timeline: Annually, 2011 – 2013, modify incentive program as appropriate within one year
Funding Source: Departmental Budget
Responsible City Section: Community Development Department

Quantified Objectives

Beverly Hills has developed the following numeric objectives for housing production, housing rehabilitation, and housing preservation based on the policies and programs set forth in the Housing Element.

Table 57 2008-2014 Summary of Quantified Objectives

Income Group	New Construction	Rehabilitation	Conservation
Extremely Low	73		75
Very Low	73	110	75

Attachment 2

Relocation Fees

4-5-601: FEES REQUIRED:

Any landlord who serves a notice of eviction on a tenant pursuant to section 4-5-509 or 4-5-511 of this chapter shall pay to such tenant a relocation fee in accordance with the provisions of this article. Such fee shall be due and payable to such tenant whether or not such landlord actually utilizes the apartment unit for the purposes stated in the notice of eviction, unless such landlord notifies such tenant in writing of the withdrawal of the notice of eviction prior to such time as the tenant has given the landlord notice of his or her last date of occupancy, or has vacated if such notice of the last date of occupancy is not given by the tenant, and files a copy of such notice with the city clerk within one week after serving such notice on the tenant. (1962 Code § 11-6.01)

4-5-602: TIME OF PAYMENT:

The relocation fee or pro rata share thereof shall be paid to any tenant who vacates the apartment unit at the time he or she vacates it. If the landlord cannot in good faith determine if such tenant is entitled to receive the relocation fee, it shall be deposited in escrow in accordance with section 4-5-604 of this article. (1962 Code § 11-6.02)

4-5-603: PAYMENT TO EACH TENANT:

The entire fee shall be paid to a tenant who is the only such tenant in an apartment unit. Where an apartment unit is occupied by two (2) or more tenants, payment may be prorated among such tenants, or payment may be made to one tenant, provided all the adult occupants of the apartment unit have signed a stipulation to judgment as described in subsection 4-5-604A of this article. In no event shall a landlord be liable to pay a total amount more than the fee required by section 4-5-605 of this article for one apartment unit to all the tenants in any one apartment unit. (1962 Code § 11-6.03)

4-5-604: DEPOSIT INTO ESCROW:

A. Where the apartment unit has not been vacated, the relocation fee shall be deposited in escrow if the tenant has furnished the landlord with the tenant's notarized stipulation to judgment in favor of the landlord for the repossession of the apartment unit by the landlord within sixty (60) days after the payment of the relocation fee to such tenant. The fee shall be released from escrow to the tenant on the day the tenant vacates the apartment unit. Nothing in this subsection shall be deemed to require any tenant to vacate any apartment unit before the expiration of the full notice time to which such tenant is entitled.

B. If the landlord in good faith is unable to determine who are the persons entitled to receive the relocation fee, the landlord shall deposit the relocation fee into escrow. The landlord shall give written notice of such deposit to each person, including the tenant and any occupant other than the tenant, who in the landlord's good faith judgment may be entitled to receive the relocation fee. Upon agreement by all persons so notified, the escrow holder may distribute the relocation fee in the manner agreed upon. If such parties cannot reach agreement within thirty (30) days after the date the notice of deposit is given, the division and distribution of the relocation fee shall be determined by the hearing officer following a hearing on the matter. No distribution from an escrow may occur until the tenant who is to receive the relocation fee has signed a notarized

stipulation to judgment pursuant to subsection A of this section if the tenant still occupies the apartment unit.

C. All the costs of an escrow opened pursuant to the provisions of this section shall be borne by the landlord. (1962 Code § 11-6.04; amd. Ord. 04-O-2449, eff. 6-18-2004)

4-5-605: AMOUNT OF RELOCATION FEES:

The amount of the relocation fee payable to a tenant entitled to such fee pursuant to the provisions of this chapter shall be determined as follows where the tenancy has existed for two and one-half ($2^1/_2$) years or longer prior to the date of the vacation of the apartment unit:

Apartment Size	Relocation Fee
A. Bachelor	$2,000.00
B. Single	2,250.00
C. 1 or more bedrooms	3,000.00
D. Senior citizen, handicapped tenant or a tenant who is terminally ill (as certified by a licensed physician)	5,000.00
E. An eviction from a unit due to either a proposed demolition or conversion to condominium	Either the number of years of tenancy, including any portion of a year or rounded off to the nearest month and the 90 day notice period, multiplied by the current monthly rent, not to exceed $15,000 per unit, or the relevant amount in subsections A through D of this section, whichever is greater. This section shall not apply to any unit where the 90 day notice of eviction was served upon the tenant and filed with the city prior to January 15, 1991.

Where the tenancy has existed for less than two and one-half ($2^1/_2$) years but more than one year prior to the date of the vacation of the apartment unit, the relocation fee shall be one-half ($^1/_2$) of the amounts set forth in this section. Any tenant whose occupancy of the apartment unit began after the date when the required notice of termination was given shall not be entitled to any relocation fee. (1962 Code § 11-6.05; amd. Ord. 89-O-2068, eff. 8-8-1989; Ord. 91-O-2110, eff. 2-15-1991; Ord. 91-O-2117, eff. 5-24-1991)

4-5-606: PHYSICAL RELOCATION IN LIEU OF FEE:

In lieu of the relocation fee required by section 4-5-605 of this article, the landlord, at his option, may relocate the tenant into a comparable replacement apartment unit satisfactory to the tenant, in which event the landlord shall be liable only for the actual costs of relocating the tenant, up to the maximum as set forth in section 4-5-605 of this article per apartment unit. A tenant shall not unreasonably withhold the approval of a replacement apartment unit offered by the landlord. For the

purposes of this section only, comparability shall be determined from the following factors: size, price, location, proximity to medical and recreational facilities, parks, community centers, shops, transportation, schools, churches, and synagogues, amenities, and, if the tenant desires, the location of the apartment unit in the city. (1962 Code § 11-6.06)

4-5-607: WAIVER OF RELOCATION RIGHTS:

A. If a tenant who has received a thirty (30) day notice to vacate premises does not vacate the apartment unit within such time, and the landlord thereafter files a complaint for writ or judgment restoring possession which meets all the requirements of this chapter, and the court orders such tenant to vacate the apartment unit, such tenant shall be deemed to have waived all rights to any relocation benefit to which he or she is otherwise entitled pursuant to this chapter and shall return to the landlord any relocation fee or other benefit so received, plus interest at the rate allowed by law.

B. After the required notice period has passed, if a tenant has signed a stipulation for judgment and received a relocation fee, whether directly or as the result of the distribution of a deposit, and does not vacate the apartment unit within sixty (60) days after such receipt, such tenant shall be deemed to have waived all rights to any relocation benefits to which he or she is otherwise entitled pursuant to this chapter, and such tenant shall be obligated to return to the landlord any relocation fee or other benefit so received, plus interest at the rate allowed by law. (1962 Code § 11-6.07; amd. Ord. 89-O-2068, eff. 8-8-1989)