

**From:** [Matthew Stevens](#)  
**To:** [Shawn Landres](#); [Leslie Lambert](#); [Elisa Paster](#); [Jim Ries](#); [Mario Fonda-Bonardi](#); [Ellis Raskin](#)  
**Cc:** [Planning Commission Comments](#); [David Martin](#); [Jing Yeo](#)  
**Subject:** Item 10-C (Pipeline Projects)  
**Date:** Monday, February 15, 2021 4:20:17 PM

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EXTERNAL

Dear Planning Commission,

I noticed we will be using pipeline units for our 6th Cycle Housing Element.

Per [HCD's Site Inventory Guidebook](#), pipeline projects can count towards our RHNA. However, the Housing Element must demonstrate that the projects are "expected to be built within the planning period" (pg. 5) for Santa Monica to receive RHNA credit.

Do we expect all of these pipeline projects to be built? And if so, based on what evidence? I find it hard to believe that all pipeline projects will be built as I have heard about many projects that are entitled but never go under construction. One way to get to the bottom of this would be for Staff to research what percentage of pipeline projects have been built in the past. We can then discount our pipeline projects accordingly.

Our RHNA is a floor, not a ceiling. We must use realistic numbers to ensure our 6th Cycle Housing Element is a success.

Regards,

Matt Stevens

**From:** [Matthew Stevens](#)  
**To:** [Shawn Landres](#); [Leslie Lambert](#); [Elisa Paster](#); [Jim Ries](#); [Mario Fonda-Bonardi](#); [Ellis Raskin](#)  
**Cc:** [Planning Commission Comments](#); [David Martin](#); [Jing Yeo](#)  
**Subject:** Re: Item 10-C (Pipeline Projects)  
**Date:** Wednesday, February 17, 2021 8:58:28 AM  
**Attachments:** [image.png](#)

EXTERNAL

Dear Planning Commission,

While researching the pipeline issue further, I learned that less than 50% of pipeline projects in the City of Los Angeles ever get built. As such, they apply a substantial discount to pipeline projects in their Housing Element. The exact figures are in the image below:

**Table 4 City of Los Angeles Pipeline Housing Units Expected to Receive Certificate of Occupancy (COO) During Sixth Cycle, 2012-2019**

Project Type	Net Units Added	% Units Expected to Reach COO <sup>12</sup>	Units Expected to Reach COO
Active Planning Entitlements	174,955	37%	65,346
Approved Planning Entitlements with No Building Permit	72,294	45%	32,532
Approved Building Permits with No COO (Since March 2020) <sup>13</sup>	4,790	79%	3,784
<b>Total</b>	<b>252,039</b>		<b>101,662</b>

Source: [https://planning.lacity.org/odocument/1a4e2cf4-7365-4fef-a45e-7f4631f2c132/Initial\\_Study.pdf](https://planning.lacity.org/odocument/1a4e2cf4-7365-4fef-a45e-7f4631f2c132/Initial_Study.pdf)

This seems to be a much more realistic way of planning for pipeline projects. Santa Monica needs to do the same. Assuming all pipeline projects will get built, when we know that is very unlikely to happen, is a recipe for undershooting our RHNA. Our goal needs to be the production of *at least* 8,800 units and that will only happen if we are realistic with our assumptions.

Moreover, as mentioned in my e-mail below, assuming 100% of pipeline projects will get built is contrary to HCD guidance. For pipeline projects to count, we must demonstrate the the projects are "expected to be built within the planning period." So this isn't just a matter of a good practice - it's specific guidance from HCD.

This is one of the first consequential decisions you will have to make with our Housing Element. Please don't handicap the document, and risk HCD non-certification, right from the start. Realistic assumptions, please.

Regards,

Matt Stevens

On Mon, Feb 15, 2021 at 4:19 PM Matthew Stevens <[mastevens0131@gmail.com](mailto:mastevens0131@gmail.com)> wrote:

Dear Planning Commission,

I noticed we will be using pipeline units for our 6th Cycle Housing Element.

Per [HCD's Site Inventory Guidebook](#), pipeline projects can count towards our RHNA. However, the Housing Element must demonstrate that the projects are "expected to be built within the planning period" (pg. 5) for Santa Monica to receive RHNA credit.

Do we expect all of these pipeline projects to be built? And if so, based on what evidence? I find it hard to believe that all pipeline projects will be built as I have heard about many projects that are entitled but never go under construction. One way to get to the bottom of this would be for Staff to research what percentage of pipeline projects have been built in the past. We can then discount our pipeline projects accordingly.

Our RHNA is a floor, not a ceiling. We must use realistic numbers to ensure our 6th Cycle Housing Element is a success.

Regards,

Matt Stevens

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WRITER'S E-MAIL ADDRESS

kaplan@hlkklaw.com

February 17, 2021

VIA E-MAIL

Santa Monica Planning Commission  
1685 Main Street, Room 212  
Santa Monica, CA 90401

Re: Agenda Item 10-C: Santa Monica Housing Council Comments on Pipeline  
Units to be Including in the 6<sup>th</sup> Cycle Housing Element Suitable Sites  
Inventory  
Our File No. 639.67

Dear Commissioners:

This letter is submitted on behalf of the Santa Monica Housing Council, a non-profit, all-volunteer organization that has been involved with Santa Monica housing issues for more than 30 years and has recently been engaged in advocacy regarding the City's 6<sup>th</sup> Cycle Housing Element Update.

I am writing to express the Housing Council's concern regarding the City's apparent intention to include all housing units currently in the development pipeline towards its 6<sup>th</sup> Cycle RHNA target, without any discount to account for the likelihood that at least some of these units will not ultimately be built or will count towards the 5<sup>th</sup> Cycle and not the 6<sup>th</sup> Cycle.

The enclosed attachment to tonight's meeting agenda states that the City has a total of 2,334 units that are either approved and in plan check, approved and not in plan check, or pending, and that every one of these units will be counted towards the 6<sup>th</sup> Cycle RHNA without any discount for the probability of development. This approach is extremely aggressive and unrealistic, and inconsistent with the State Department of Housing and Community Development's (HCD) guidance.

HCD's Housing Element Site Inventory Guidebook states that while currently pending projects may be included in the Sites Inventory, "[f]or projects yet to receive their certificate of occupancy or final permit, the element must demonstrate that the project is expected to be built within the planning period." (Kirkeby, Megan, *Housing Element Site Inventory Guidebook Government Code Section 65583.2*, CA Department of Housing and Community Development, Jun. 10, 2020, p. 5.)

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As you are well aware, not every project proposed in the City is ultimately permitted, and not every permitted project gets built. There is no way that the City could demonstrate that all 2,334 units in the pipeline will be built within the 6<sup>th</sup> Cycle Planning period, because such an outcome is exceedingly unlikely. In addition to the fact that many of these units will not ultimately be constructed, some will likely receive certificates of occupancy before the 6<sup>th</sup> Cycle Planning Period begins at the end of June. There is no reason to believe that at least some of these units will not come online before that time unless the City intends to slow-walk approvals in order to game the Sites Inventory.

The City is permitted to count pending units against its 6<sup>th</sup> Cycle RHNA goals, but it must realistically estimate how many of these units will ultimately come online during the 6<sup>th</sup> Cycle. The City should determine what percentage of pending units were actually built during the 5<sup>th</sup> Cycle and discount the 2,334-unit figure by this percentage to reflect the realistic probability of construction. The topline number should be further discounted to reflect the likelihood that at least some of these units will receive certificates of occupancy before the 6<sup>th</sup> Cycle Planning Period begins. Additionally, if any of these units were included in past Annual Progress Reports for the 5<sup>th</sup> Cycle, they may not be double counted and included in the 6<sup>th</sup> Cycle as well.

Planning to accommodate the City's 8,873-unit RHNA allocation is a challenging task that will require City decisionmakers to think creatively. However, the City should not attempt to circumvent the requirements of State law by making unrealistic assumptions to artificially "achieve" its RHNA allocation by disregarding HCD guidelines for the Sites Inventory. The City is legally required to discount the number of pending units to be counted towards the 6<sup>th</sup> Cycle RHNA to reflect the number of units that will realistically be brought online during the relevant time frame.

Sincerely,



Lee A. Kaplan

Enclosure

cc: David Martin (w/ encl.)  
Jing Yeo (w/ encl.)  
Lane Dilg (w/ encl.)  
George S. Cardona (w/ encl.)  
Steve Mizokami (w/ encl.)  
Cary Fukui (w/ encl.)

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Ross Fehrman (w/ encl.)  
Heidi von Tongeln (w/ encl.)  
Santa Monica Housing Council Board of Directors (w/ encl.)

# Pipeline Projects & 6<sup>TH</sup> Cycle RHNA

As of February 2021

	6 <sup>th</sup> Cycle Draft RHNA Allocation	Credit Towards 6 <sup>th</sup> Cycle RHNA		Units Left to Plan for 6 <sup>th</sup> Cycle RHNA	Credit Towards 5 <sup>th</sup> Cycle RHNA
		Approved Not in Plan Check	Pending		Approved in Plan Check
Extremely Low	2787	65	18	2552	53
Very Low		124	28		26
Low	1698	140	27	1531	15
Moderate	1698	72	27	1599	47
Market Rate	2690	1278	522	890	673
Unknown Affordability Level	--	--	33	--	--
<b>Total # of Units</b>	<b>8873</b>	<b>1679</b>	<b>655</b>	<b>6539</b>	<b>814</b>
<b>Total Units Towards 6<sup>th</sup> Cycle RHNA</b>		<b>2334</b>			



City of  
**Santa  
Monica**