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SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES

CALIFORNIANS FOR HOMEOWNERSHIP, INC., a California nonprofit public benefit corporation,

Petitioner,

V.

CITY OF MANHATTAN BEACH,

Respondent.

Case No. 22ST CP 01417

VERIFIED PETITION FOR WRIT OF MANDATE

[C.C.P. § 1085; Gov. Code §§ 65587, 65751]

Petitioner Californians for Homeownership ("Californians") alleges as follows:

- 1. California is in the midst of a "housing supply and affordability crisis of historic proportions." Gov. Code 65589.5(a)(2). That crisis is driven in major part by "activities and policies of many local governments that limit the approval of housing" Gov. Code § 65589.5(a)(1)(B). As part of the effort to address this crisis, cities must plan for housing development in their housing elements.
- 2. Manhattan Beach has adopted a housing element that does not identify adequate sites for housing development.
- 3. On behalf of the important public interest in the creation of new housing, Californians seeks a writ compelling the City to adopt a revised housing element.

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PARTIES

- 4. Petitioner Californians for Homeownership, Inc. ("Californians") is a California nonprofit public benefit corporation and 501(c)(3) public charity. Its mission is to address California's housing crisis through litigation in support of the production of housing affordable to families at all income levels.
- Respondent City of Manhattan Beach is a city situated in Los Angeles 5. County.

JURISDICTION AND VENUE

- The Court has general subject matter jurisdiction over this action 6. pursuant to Government Code Sections 65587 and 65751 and Code of Civil Procedure Section 1085.
- 7. The Court has personal jurisdiction over the City of Manhattan Beach pursuant to Code of Civil Procedure Section 410.10.
- Venue for this action properly lies with this Court pursuant to Code of 8. Civil Procedure Section 394.

STATUTORY BACKGROUND

- 9. In recent years, the California Legislature has sought to address what it has described as a "housing supply and affordability crisis of historic proportions." Gov. Code 65589.5(a)(2). "The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives. While the causes of this crisis are multiple and complex, the absence of meaningful and effective policy reforms to significantly enhance the approval and supply of housing affordable to Californians of all income levels is a key factor." *Id.* (subdivision numbers omitted).
- 10. As a result of the housing crisis, younger Californians are being denied the opportunities for housing security and homeownership that were afforded to

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previous generations. Families across economic strata are being forced to rent rather than experience the wealth-building benefits of homeownership. Many middle and lower income families devote more than half of their take-home pay to rent, leaving little money to pay for transportation, food, healthcare and other necessities.² Unable to set aside money for savings, these families are also at risk of losing their housing in the event of a personal financial setback. Indeed, housing insecurity in California has led to a mounting homelessness crisis.³

- 11. Beyond the human toll, California's housing crisis harms the environment. "[W]hen Californians seeking affordable housing are forced to drive longer distances to work, an increased amount of greenhouse gases and other pollutants is released and puts in jeopardy the achievement of the state's climate goals." Gov. Code § 65584.
- 12. At the core of California's affordable housing crisis is a failure to build enough housing to meet demand. California's Legislative Analyst's Office estimates that the state should have been building approximately 210,000 units a year in major metropolitan areas from 1980 to 2010 to meet housing demand. Instead, it built approximately 120,000 units per year. ⁴ Today, California ranks 49th out of the 50 states in existing housing units per capita.⁵

California Department of Housing and Community Development, California's Housing Future: Challenges and Opportunities: Final Statewide Housing Assessment 2025 (2018), available at http://www.hcd.ca.gov/policy-research/plansreports/docs/SHA_Final_Combined.pdf, at 18-19.

Id. at 27.

Id. at 3, 48-50.

Legislative Analyst's Office, California's High Housing Costs: Causes and Consequences (2015), available at https://lao.ca.gov/reports/2015/finance/housingcosts/housing-costs.pdf, at 21.

McKinsey & Company, A Tool Kit to Close California's Housing Gap: 3.5 Million Homes By 2025 (2016), available at https://www.mckinsey.com/~/media/ mckinsey/featured insights/Urbanization/Closing Californias housing gap/Closing-Californias-housing-gap-Full-report.ashx, at document page 6.

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- California's housing crisis has been building for decades. The 13. Legislature has recognized that the crisis is driven, in part, "by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing." Gov. Code § 65589.5(a)(1)(B).
- Over the last five decades, the Legislature has increasingly sought to address the power imbalance at play in local housing policy. The most important state policy addressing the housing crisis is the Regional Housing Needs Allocation ("RHNA") and housing element system.
- 15. The RHNA system is a process for assessing and allocating housing targets on a periodic basis, generally every eight years. Gov. Code § 65588. It starts with an assessment of statewide housing needs by the California Department of Housing and Community Development ("HCD"). The Department allocates the state's anticipated housing needs on a region-by-region basis, at different levels of affordability, based on established criteria. Gov. Code §§ 65584.01, 65588. This need is then usually meted out to individual localities by a regional council of governments. Gov. Code § 65584.05.
- 16. Once the allocations are final, each locality is tasked with developing an action plan (the housing element) to enact land use policies that will produce enough housing to meet its RHNA goals. Gov. Code §§ 65583, 65583.2. The housing element must provide an inventory of sites available for residential development and assess constraints and market realities that affect the likely development activity at those sites, including local land use regulations. Localities must make changes to their land use rules, including by rezoning land, if needed to enable housing sufficient to meet their RHNA goals. Gov. Code § 65583(c), 65583.2(h).
- 17. A city may meet its RHNA allocation by planning for housing on vacant or nonvacant sites. Gov. Code § 65583.2(a). The housing element must contain a parcel specific inventory of sites where additional housing could be developed,

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including existing residential sites that could be redeveloped with more residential capacity (e.g., though rezoning and/or redevelopment), and non-residential sites that could be redeveloped as housing through rezoning. Gov. Code § 65583.2(a). For nonvacant sites, this sites inventory must describe the specific existing use on each site. Gov. Code §§ 65583.2(b)(3), (c).

- Under Government Code Section 65583.2(g)(1), for each nonvacant site, 18. a city must "specify the additional development potential . . . within the planning period," and it must explain how the developmental potential for each site was measured. The methodology must consider the extent to which the existing use may impede development.
- 19. Additionally, if a city intends to rely on nonvacant sites to make up more than fifty percent of its lower-income housing need, it is also subject to Government Code Section 65583.2(g)(2). This provision requires the city to adopt "findings based on substantial evidence that the use is likely to be discontinued during the planning period" at the time the City adopts its housing element. Without these findings, the existing use is "presumed to impede additional residential development."
- 20. Each city submits a draft of its housing element to HCD for review and receives written findings. Gov. Code § 65585(b)(3). In its written findings, HCD makes a determination whether the draft housing element "substantially complies" with the requirements of state law. Gov. Code § 65585(d). Prior to adoption of a housing element, a city must consider HCD's findings and either amend its housing element accordingly or provide findings of its own as to why it believes the housing element is compliant despite HCD's determination. Gov. Code §§ 65585(e), (f).
- 21. California is currently in the midst of the sixth statewide housing element update cycle. For cities in the Southern California region, including Manhattan Beach, the sixth cycle covers an eight-year planning period starting October 15, 2021, and these cities were required to update their housing elements by that date. Gov. Code § 65588(e)(3).

- 22. A city without a compliant updated housing element is prohibited from using its general plan and zoning standards to reject certain housing development projects. Gov. Code § 65589.5(d)(1).
- 23. A city that does not adopt a compliant updated housing element within 120 days of the due date is subject to an accelerated one-year deadline for all rezoning under the housing element, once adopted. Gov. Code §§ 65583(c)(1)(A), 65583.2(c), 65588(e)(4)(C).
- 24. An interested party may bring an action under Code of Civil Procedure Section 1085 to determine whether a housing element conforms to the statutory requirements and to compel a city to adopt a compliant housing element. Gov. Code §§ 65587, 65751.
- 25. If a city's housing element does not substantially comply with state law, a reviewing court must order the city to bring it into compliance within 120 days. Gov. Code § 65754(a). After adopting a housing element subject to such an order, the city must subsequently rezone to obtain consistency with the housing element within 120 days. Gov. Code § 65754(b).
- 26. Additionally, the court must subject the city to penalties, which can include a suspension of all non-residential permitting and judicial approval of housing development projects. Gov. Code §§ 65755(a)(1), (4). The court can also grant this relief on an interim basis during the pendency of litigation. Gov. Code § 65757.

FACTS

- 27. The statutory deadline for the City to adopt a compliant sixth cycle updated housing element was October 15, 2021.
- 28. As this deadline approached, the City was far behind in developing its housing element. Indeed, the City only submitted its initial <u>draft</u> housing element to HCD on October 15, 2021.
- 29. In a December 14, 2021 letter, HCD provided the City the results of its review of the City's draft, indicating that it needed significant changes in order to

comply with state law.

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- 30. HCD's letter specifically noted that the City was required to provide more information on the suitability of nonvacant sites, including the impediment created by the existing use of these sites.
- 31. Additionally, HCD's letter outlined the evidentiary findings the City would be required to make due to the fact that its housing element relies on nonvacant sites to accommodate more than fifty percent of the City's lower-income RHNA.
- 32. The City's City Council adopted a legally inadequate sixth cycle updated housing element on March 22, 2022.
- 33. Californians is a non-profit organization that aims to address California's housing crisis, generally through impact litigation to support the development of and access to housing for families at all income levels. From 2019 through 2021, Californians participated in five lawsuits as petitioner or intervenor, and three more as amicus curiae.
- 34. Californians is currently engaged in a statewide effort to enforce both the substantive requirements and the deadlines in state housing element law, for the sixth housing element update cycle. As part of this effort, it has contacted approximately 50 cities to address concerns about their compliance with state law. To date, in 2022, Californians has filed five lawsuits to enforce state housing element law.
- 35. On March 22, 2022, prior to the City Council's meeting, Californians submitted a letter to the City Council raising substantially the same concerns raised in this Petition.
- 36. On April 11, 2022, Californians sent a letter to the City Council indicating that it intended to initiate litigation over the City's inadequate housing element if the parties could not come to a compromise. The letter requested a response by April 14, 2022, but the City did not respond.
- The City's adopted housing element does not address HCD's concerns, it 37. does not contain the analysis required under Government Code Section 65583.2(g)(1),

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and in adopting it the City did not make the findings required under Government Code Section 65583.2(g)(2).

- 38. For the City's existing residentially zoned sites and the sites the City proposes rezoning, the provided sites inventory does not account for the impediment created by the existing uses on nonvacant sites, including the possibility that a site will be maintained in its current use rather than redeveloped during the planning period.
- 39. The City's housing element relies on nonvacant sites (mostly through rezoning) to satisfy over fifty percent of the City's lower-income RHNA, but the City has not made findings identifying any evidence that the existing uses on each of these sites will be discontinued during the planning period.
- 40. The housing element includes lower-income sites on City-owned parcels that the City does not appear to intend to redevelop.
- 41. In light of these inadequacies, the City has not complied with the substantive requirements of state housing element law and has not identified adequate sites to satisfy its RHNA allocation. The housing element therefore does not substantially comply with state law.

FIRST CAUSE OF ACTION

Writ of Mandate to Compel Compliance with Housing Element Law (Gov. Code §§ 65587, 65751; C.C.P. § 1085)

- 42. Californians incorporates and realleges all of the foregoing paragraphs.
- 43. Under Government Code Section 65587, any interested party may bring an action to determine whether all or part of a housing element conforms to the statutory requirements.
- 44. Pursuant to Government Code Sections 65587 and 65751, an action to challenge the legal adequacy of a housing element shall be brought under Code of Civil Procedure Section 1085.
 - Californians is an interested party for the purposes of these statutes. 45.

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- The City's housing element does not substantially comply with state law 46. and it is subject to an action under Government Code Sections 65587 and 65751.
 - 47. Californians has no available administrative remedies.
- 48. Californians has no plain, speedy, or adequate remedy at law, other than the relief sought herein.
 - 49. Accordingly, Californians is entitled to a writ of mandate.

PRAYER

WHEREFORE, Petitioner prays for relief as follows:

- A writ of mandate directing the City to adopt a revised housing element 1. pursuant to Government Code Section 65754.
- An injunction or order providing relief under Government Code Section 2. 65755.
 - 3. A declaration that:
 - The housing element adopted by the City on March 22, 2022 does a. not substantially comply with state law.
 - In adopting its housing element on March 22, 2022, the City did b. not comply with Government Code Section 65583.2(g)(2).
 - From October 16, 2021 until the City complies with the Court's c. writ of mandate through the adoption of a housing element that substantially complies with state law, the City has not had a housing element that was revised in accordance with Government Code Section 65588:
 - The City is required to complete any rezoning required under d. Government Code Sections 65583(c)(1)(A) or 65583.2(c) by October 15, 2022.
 - The City is not permitted to use the provisions in subdivision (d)(1)e. or (d)(5) of Government Code Section 65589.5 to disapprove a housing development project that qualifies for approval under

subdivision (d) of that section—that is, a project in which either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Health and Safety Code Section 50079.5, or (B) 100 percent of the units shall be sold or rented to persons and families of moderate income as defined in Health and Safety Code Section 50093, or persons and families of middle income, as defined in Government Code Section 65008—or to condition the approval of such a project in a manner that renders it infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards.

- 4. Costs of suit;
- 5. Attorneys' fees under Code of Civil Procedure Section 1021.5 and as otherwise allowed by law;
 - 6. Such other and further relief as the Court deems just and proper.

Dated: April 19, 2022 Respectfully Submitted,

CALIFORNIANS FOR HOMEOWNERSHIP, INC.

By _____

Matthew P. Gelfand

Attorneys for Petitioner,

Californians for Homeownership, Inc.

VERIFICATION

- I, Matthew P. Gelfand, declare:
- I hold the position of Counsel at Petitioner Californians for Homeownership, 1. Inc., and am familiar with the matters discussed in the foregoing Petition.
- 2. I have read the Petition and know the contents thereof. The statements of fact therein are true and correct of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 19, 2022 at Los Angeles, California.

Matthew P. Gelfand