



City of Arts & Innovation

# City Council Memorandum

---

**TO: HONORABLE MAYOR AND CITY COUNCIL**                      **DATE: FEBRUARY 8, 2022**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT**                      **WARDS: ALL**  
**DEPARTMENT**

**SUBJECT: PHASE 1 GENERAL PLAN UPDATE: POST-ADOPTION MODIFICATIONS FOR CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CERTIFICATION – 6<sup>TH</sup> CYCLE HOUSING ELEMENT UPDATE**

**ISSUE:**

Receive and file an update on post-adoption modifications for California Department of Housing and Community Development certification, per the September 2021 comments received, on the 6<sup>th</sup> Cycle Housing Element Update (Update).

**RECOMMENDATION:**

Staff recommends that the City Council receive and file an update on post-adoption modifications for California Department of Housing and Community Development certification, per the September 2021 comments received on the 6<sup>th</sup> Cycle Housing Element Update.

**BACKGROUND:**

California Government Code section 65300 et. seq. requires that all cities and counties adopt a Housing Element as one of the mandatory components of their General Plan. The Housing Element establishes the City's housing-related policies to ensure that housing needs of all residents in Riverside are met, including an action plan to implement those policies and promote safe, decent, and affordable housing for all.

The Housing Element must be updated every eight years (known as a Cycle) to evaluate its effectiveness in achieving its stated housing goals and objectives, account for changes in the economic and regulatory landscape, and accommodate the City's Regional Housing Needs Assessment (RHNA) obligation. The California Department of Housing and Community Development (HCD) reviews draft Housing Elements for compliance with statute prior to adoption by the local legislative body and, following adoption, is responsible for certifying that the Housing Element has been adopted in accordance with the requirements of the law. A certified Housing Element is a prerequisite for eligibility for numerous State programs and grant funding opportunities and serves as official recognition that the jurisdiction is complying with state requirements for local housing planning and policy.

State review of the Draft Housing Element Update began in May 2021 with initial submission of the Draft Housing Element, including proposed Policies, Programs, Actions, and the proposed Opportunity Sites Inventory to the state HCD for an initial 60-day review. Formal comments from

HCD were received in early July 2021. Following this feedback, the Draft Housing Element Update was revised and resubmitted to HCD for a subsequent 30-day review on August 6, 2021, and a formal comment letter was received on September 30, 2021, six days prior to the October 5, 2021 City Council hearing and 16 days prior to the October 15 deadline to adopt the 6<sup>th</sup> Cycle Housing Element Update (Attachment 1).

On October 5, 2021, the City Council approved the Phase 1 General Plan Update (Attachment 2) and adopted Resolution No. 23771 (Attachment 3), which included an update of the Housing Element of the General Plan 2025 that consisted of:

- The Housing Plan, which establishes a Guiding Principle and Policies and describes the City’s ongoing or planned Programs intended to meet the current and future housing needs of all segments of the population;
- The Housing Technical Background Report, which supplements and supports the Housing Plan with a wide range of data and analysis on the state of housing in Riverside;
- The Action Plan, a companion document to the General Plan that sets out specific actions to implement the policies and programs in the Housing Plan, along with key performance indicators and quantified objectives; and
- The Housing Element Appendices, consisting of Appendix A: RHNA Opportunity Sites Inventory and Appendix B: Development Case Studies.

City Council also adopted Resolution No. 23772 (Attachment 4) amending the General Plan Land Use Designations and introduced and subsequently adopted Ordinance No. 7574 (Attachment 5) rezoning Opportunity Sites identified in Appendix A of the Housing Element.

The final Opportunity Sites Inventory adopted by the City Council yields the following:

Income level	RHNA Allocation (Units)	Adopted Opportunity Sites Inventory (Units)
Very Low- and Low-Income	7,925	8,644
Moderate-Income	3,139	12,519
Above Moderate-Income	7,394	56
<b>Subtotal</b>	<b>18,458</b>	<b>21,219</b>
<b>No Net Loss Buffer Units</b>		<b>2,761</b>
<b>No Net Loss Buffer %</b>		<b>14.9%</b>

As summarized in the table, the final adopted Inventory meets the City’s RHNA obligation and satisfies the City’s RHNA obligation with a No Net Loss buffer of approximately 15 percent.

**DISCUSSION:**

In the October 5, 2021, staff recommendation to the City Council, staff acknowledged that additional coordination with HCD and further clarifying modification to the Element would be required to satisfy HCD’s comments and demonstrate statutory compliance to receive certification. The modifications to the adopted Element presented have been prepared in close collaboration with HCD, the Project consulting team, and staff and are limited to clarifying, technical and non-substantive changes to any of the policies or actions adopted by the City Council.

Housing Plan (Attachment 6)

No changes to the Housing Element Guiding Principle or the eight Policies approved by City Council.

Modifications have been made to text describing the following Programs, in response to HCD comments to improve clarity, specificity and consistency with statutory purpose:

**1. Program HE-1-2 – By-Right Approval for Projects with 20% Affordable Units**

This Program has been modified to clarify that the Zoning Code provides for by-right approval (i.e., Administrative Design Review only) for residential development in the multi-family and mixed-use zones, including development that includes affordable units.

**2. Program HE-1-3 – Nonprofit Partnerships and Financial Assistance**

Text has been added to specifically call out that extremely low-income and special needs households are included in this Program.

**3. Program HE-4-5 – Facilitate Accessory Dwelling Unit (ADU) Development**

This program has been revised to add a text to the City’s website to publicize that CalHFA grants are available for ADU development.

**4. Program HE-5-2 – Zoning Code Amendments**

This Program has been reorganized to more clearly identify the individual Zoning Code amendments that are necessary to comply with statutory requirements. Text has been added to further clarify that some amendments were adopted concurrently with the Housing Element Update, while others will be developed and implemented in the future.

**5. Program HE-5-3 – Group Homes**

Text has been modified to clarify that the City will evaluate size limitations for group homes in residential zoning districts to ensure the availability of housing for special needs groups as part of the implementation of the Housing Element.

**6. Program HE-5-8 – Emergency Shelters**

Text has been added to this Program to indicate that the Zoning Code will be amended to comply with statutory requirements related to emergency shelters.

Other minor grammatical and formatting changes have also been made to the Housing Plan.

*Technical Background Report (Attachment 7)*

**TBR-1: Community Profile**

1. Special Needs Groups – Agricultural Workers (TBR page 23)

Data was added relating to agricultural employment in the City and Riverside County to provide additional context.

2. Housing Stock Characteristics – Housing Age and Condition (TBR page 32)

Additional data to add context related to the estimated number of substandard housing units requiring rehabilitation or replacement based on Code Enforcement complaint data added.

**TBR-2: Housing Constraints**

1. Land Use Regulations – Housing Opportunities – Facilities for Persons Experiencing Homelessness (TBR pages 72-73)

Text was added to describe Zoning Code development standards applicable to Emergency Shelters prior to adoption of amendments with the Housing Element Update and to clarify that, as needed, standards will be modified to comply with statutory requirements to reduce constraints to this type of housing.

2. Development Review Process (TBR pages 81-83)

- a. Text was added to clarify that the City accepts development applications electronically.
  - b. Context was added to clarify the City's use of exemptions to the California Environmental Quality Act (CEQA) to streamline housing development and eliminate regulatory constraints.
  - c. Text describing the Planned Residential Development Permit process was added to Table H-9: Planning Entitlement Review Time and Approval Authority.
3. Design Review (TBR page 84)
- Section revised to improve clarity and provide additional context and information related to the applicability and timeframes for the Design Review entitlement process, appeals, and referrals of Design Review authority from the Community & Economic Development Director to the Planning Commission.
4. Site Plan Review (TBR page 87)
- This section has been modified to reflect the amended project size threshold that requires Site Plan Review Approval as adopted by the City Council.
5. Building Codes and Site Improvements – Land Use and Zoning (TBR page 92)
- Reference added to Housing Plan Program HE-5-2 – Zoning Code Amendments related to procedures for Fair Housing and Reasonable Accommodation requests.

### **TBR-3 – Housing Resources**

1. Future Housing Needs – Credits Toward the RHNA – Entitled Projects (TBR page 102-103)
  - a. Text was added to clarify how income limits for affordable housing projects are enforced through the requirement for recordation of deed restrictions as conditions of project approval.
  - b. Table HR-3: Entitled Projects Since 2019 case numbers have been added.
2. Opportunity Sites Inventory
  - a. Opportunity Sites Inventory (TBR page 105)

Clarification reflects the final unit counts based on the Council-adopted Opportunity Sites Inventory.
  - b. Realistic Capacity Assumptions (TBR page 107)

Clarification on the assumed typical development yield for sites identified for Mixed-Use Zoning based on development trends and permitted uses has been added.
  - c. Affordability, Suitability, and Availability Analysis (TBR page 108)

Clarification reflects the final unit counts based on the Council-adopted Opportunity Sites Inventory.
  - d. Suitability of Non-vacant and Underutilized Sites (TBR pages 108-110)

Text was added to incorporate additional information on the methodology used to evaluate the suitability and development feasibility of sites that are not vacant and are considered underutilized and thus feasible for residential development for a variety of reasons.
  - e. Adequacy of Sites to Meet RHNA (TBR page 111)

Text was added, including to Table HR-5: Sites Adequacy, to reflect the final unit counts based on the Council-adopted Opportunity Sites Inventory.

**TBR-4 – Review of Housing Element Past Performance**

Technical Background Report 4 – Review of Housing Element Past Performance now includes a section on Cumulative Impacts on Addressing Special Needs to show the resources and programs that are dedicated in the City.

**TBR-5 – Public Outreach (TBR pages 166-167)**

Technical Background Report 5 – Public Outreach process has been clarified to incorporate additional information about opportunities for public input on Affirmatively Furthering Fair Housing (AFFH). A summary of feedback incorporated into the final adopted Housing Element based on this input has been added.

**TBR-6 – Affirmatively Furthering Fair Housing**

1. Assessment of Fair Housing Issues

a. Fair Housing Enforcement and Outreach (TBR page 178)

Text was added to expand and include additional data on fair housing complaints referred to the Fair Housing Council of Riverside County (FHC), as well as FHC outreach and education efforts.

b. Sites Inventory (TBR pages 236-249)

Text was revised to include additional data that summarizes the distribution of anticipated units accommodated by the RHNA Opportunity Sites by income category as they relate to specific fair housing issues.







2. Identification and Prioritization of Contributing Factors – Implementation Actions (TBR pages 252-254)



Table AFFH-8 – Fair Housing Issues and Contributing Factors has been expanded to incorporate Key Performance Indicators from the Action Plan and tie them to Meaningful Actions to Affirmatively Further Fair Housing listed in the table.

Other minor grammatical and formatting changes have also been made to the Technical Background Report.

Action Plan (Attachment 8)

The Action Plan has been revised to provide additional specificity for implementing actions designed to complement TBR-6 – Affirmatively Furthering Fair Housing, Table AFFH-8 – Fair Housing Issues and Contributing Factors. Symbols corresponding to specific Fair Housing Issues have been added to the Implementing Actions table as follows:

Symbol	Fair Housing Issue
	Fair Housing Services Outreach and Enforcement
	Housing Mobility
	Place-Based Strategies to Encourage Community Revitalization
	New Housing Choices in Areas of High Opportunity
	Housing for Persons with Disabilities
	Protecting Existing Residents from Displacement

	Community Health Strategies
	Environmental Equity Strategies

Individual implementing actions have been clarified where appropriate to more closely relate actions tied to Table AFFH-8. Text prioritizes programs in specific census tracts where Fair Housing indicators suggest that the action will have a greater impact on fair housing outcomes, such as tracts with higher or lower California Tax Credit Allocation Committee (TCAC) Opportunity Scores, CalEPA CalEnviroScreen index scores, and other measures analyzed in TBR-6.

A new section has been added to the Action Plan that establishes Quantified Objectives for housing production, rehabilitation, and preservation that summarize the expected number of units that will be produced over the 6<sup>th</sup> Housing Element Cycle (2021-2029). These objectives are derived from the Implementing Actions and Key Performance Indicators detailed in the Action Plan, extended over the 8-year planning period, in compliance with Government Code §65583(b). The objectives represent generalized estimates. Progress toward meeting these objectives will be evaluated and used to refine or revise Housing Element programs and policies to improve efficacy in the 7<sup>th</sup> Cycle Housing Element Update.

Other minor grammatical and formatting changes have also been made to the Action Plan.

Appendix A – Opportunity Sites Inventory (Attachment 9)

Following City Council adoption, a data error was identified that overestimated the anticipated number of dwelling units for Site 140 (3512 14<sup>th</sup> Street). The realistic development capacity for this site has been revised from 331 lower-income units to 109 units. With this modification incorporated, the final yield for realistic development capacity of the Opportunity Sites Inventory includes:

Income level	RHNA Allocation (Units)	Adopted Opportunity Sites Inventory (Units)
Very Low- and Low-Income	7,925	8,422
Moderate-Income	3,139	12,519
Above Moderate-Income	7,394	56
<b>Subtotal</b>	<b>18,458</b>	<b>20,997</b>
<b>No Net Loss Buffer Units</b>		<b>2,539</b>
<b>No Net Loss Buffer %</b>		<b>13.8%</b>

All modifications to the Housing Plan, TBS and Action Plan that were made by staff, to address HCD comments to facilitate certification, are summarized in the HCD Feedback Matrix (Attachment 10).

**STRATEGIC PLAN ALIGNMENT**

The post-adoption modifications to the 6<sup>th</sup> Cycle Housing Element Update supports the Envision Riverside 2025 City of Riverside Strategic Priorities as follows:

1. Strategic Priority 1 – Arts, Culture and Recreation (Goals 1.2, 1.3, 1.5)
2. Strategic Priority 2 – Community Well-Being (All Goals)
3. Strategic Priority 4 – Environmental Stewardship (Goal 4.3)
4. Strategic Priority 5 – High Performing Government (Goal 5.2, 5.3, 5.5)

5. Strategic Priority 6 – Infrastructure, Mobility & Connectivity (Goal 6.1)

This Update aligns with the following Cross-Cutting Threads as follows:

1. **Community Trust** – The post-adoption modifications to the 6<sup>th</sup> Cycle Housing Element Update aligns with the Community Trust Cross-Cutting Thread as the project included community outreach that included virtual meetings, Planning Commission Workshops, City Council Committee Workshops, one-on-one meetings, social media blasts and other techniques to ensure public input into the overall process.
2. **Equity** – The post-adoption modifications to the 6<sup>th</sup> Cycle Housing Element Update aligns with the Equity Cross-Cutting Thread in that it provides for additional housing opportunities, considers public safety, and proposes environmental justice policies that will apply to all Wards. By taking a holistic approach to the Update, every member of the community has access to share the benefits of the Update.
3. **Fiscal Responsibility** – The post-adoption modifications to the 6<sup>th</sup> Cycle Housing Element Update aligns with the Fiscal Responsibility Cross-Cutting Thread as the public funds expended to complete the Update considered housing opportunities, public safety, and environmental justice policies in all Wards.
4. **Innovation** - The post-adoption modifications to the 6<sup>th</sup> Cycle Housing Element Update aligns with the Innovation Cross-Cutting Thread as it responds the changing needs of residents and provides an Action Plan that identifies future partnerships and collaboration.
5. **Sustainability and Resiliency** – The post-adoption modifications to the 6<sup>th</sup> Cycle Housing Element Update aligns with the Sustainability and Resiliency Cross-Cutting Thread as it considers both the existing and future needs related to housing opportunities, public safety, and environmental justice in the City.

**FISCAL IMPACT:**

There is no fiscal impact associated with this report.

Prepared by: David Welch, Community & Economic Development Director  
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer  
Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. HCD Comment Letter – September 30, 2021
2. City Council Minutes – October 5, 2021
3. Resolution No. 23771 – General Plan Amendment – Phase 1 General Plan Update (Housing Element, Public Safety Element and Environmental Justice Policies)
4. Resolution no. 23772 – General Plan Amendment – General Plan Land Use Designations for Housing Opportunity Sites Inventory
5. Ordinance No. 7574 – Rezoning of Housing Element Opportunity Sites
6. Post-Adoption Housing Element Modifications– Section 1: Housing Plan
7. Post-Adoption Housing Element Modifications – Section 2: Housing Technical Background Report
8. Post-Adoption Housing Element Modifications – Action Plan

9. Post-Adoption Housing Element Modifications – Appendix A: Opportunity Sites Inventory
10. HCD Feedback Matrix
11. Presentation