



PLANNING COMMISSION HEARING DATE: MAY 18, 2017
AGENDA ITEM NO.: 3

SUMMARY

<i>Case Numbers</i>	N/A
<i>Request</i>	A workshop by the City of Riverside to update and inform the City Planning Commission about the 2014-2021 Housing Element Update and Housing Element Rezoning Program.
<i>Applicant</i>	City of Riverside, Community and Economic Development Department
<i>Project Location</i>	Citywide
<i>Ward</i>	Citywide
<i>Staff Planner</i>	Doug Darnell, AICP, Senior Planner; 951-826-5219; ddarnell@riversideca.gov

PURPOSE

The purpose for this workshop is to update the Planning Commission on the City's 2014-2021 Housing Element and the Housing Element Rezoning Program. This workshop will provide opportunity for Planning Commission and public input but no formal action is being requested of the Commission.

DISCUSSION

The workshop will cover the following topics related to the Housing Element update effort:

- o State Housing Element Law
- o Housing Element Components
- o Housing Element Update Process
- o Background and Progress Report on the City's Housing Element update
- o Housing Element Lawsuit and Settlement Agreement
- o The City's Regional Housing Needs Allocation (RHNA)
- o Rezoning Program
- o Next Steps

State Housing Element Law

State law requires that jurisdictions (all cities and counties in the state) evaluate their housing elements every eight years to determine their effectiveness in achieving state and regional housing goals and objectives, and adopt an updated Housing Element reflecting the results of this evaluation. For all jurisdictions within the Southern California Association of Governments (SCAG) region, the current 5th Cycle Draft Housing Element covers the planning period from October 15, 2013 through October 15, 2021.

Housing Element law requires housing elements to include:

- An identification and analysis of existing and projected housing needs, and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.
- Identification of adequate sites for housing and adequate provision for the existing and projected needs of all economic segments of the community.

Housing Element Components

The City of Riverside 2014-2021 General Plan Housing Element is one of 12 Riverside General Plan Elements. The Housing Element contains the following components:

- Housing Needs Assessment;
- Constraints Analysis;
- Housing Resources;
- Program Evaluation; and
- Housing Plan

These components are organized into three complementary documents: Housing Technical Report; Housing Plan; and, Implementation Plan. The Housing Element identifies and analyzes the existing and projected housing needs, and articulates the City's official policies for the preservation, conservation, improvement, and production of housing within the City. It examines the City's housing needs, as they exist today, and projects future housing needs. It sets forth statements of community goals, objectives, and policies concerning those needs, and includes a housing policy program that responds to current and future needs within the limitations posed by available resources.

Housing Element Objectives and Policies are implemented through various actions (Tools) included in the Housing Implementation Plan. One of the key implementation Tools is Tool H-21 that sets forth an approach for rezoning sites as part of a rezoning program that will achieve the City's remaining Regional Housing Needs Allocation (RHNA) of 4,767 dwelling units.

Housing Element Update Process

The Housing Element update process involves the following phases:

- Phase 1: Review Existing Conditions
- Phase 2: Public Participation Program
- Phase 3: Prepare a Draft Housing Element
- Phase 4: Environmental Analysis
- Phase 5: Housing Element Adoption, including a rezoning program and rezoning of sites to meet RHNA requirements.

Substantial progress has been made towards completion of these steps, however environmental analysis, Housing Element adoption, and completion of a rezoning program is still needed to achieve a fully compliant housing element. A final Draft Housing Element is near completion, environmental analysis consisting of an Environmental Impact Report is being prepared, and public participation is on-going.

Background and Progress Report on the Housing Element Update

In July, 2012, the City adopted its 4th Cycle Housing Element which is the Housing Element that is currently in effect and which covers a Housing Element planning period from October 2006 to October 2013. In early 2013, the City began an update of the 5th Cycle 2014-2021 Housing Element. The following has occurred since that time:

The due date for adoption of the City's 5th Cycle Housing Element was October 15, 2013. Because the City has not yet adopted the Housing Element, and has not rezoned sites needed to meet the City's RHNA requirement for this 5th Cycle Housing Element planning period and for the prior 4th Cycle Housing Element planning period, the City's Housing Element does not comply with State law.

Public Participation/Community Outreach:

- May, 2013 – A 12-member Housing Element Citizen's Advisory Committee was established to provide guidance and input on the Housing Element. The Committee met one time in May of 2013. At this meeting, the Committee was provided an overview of the State Housing Element requirements and the Housing Element update process, and provided input on housing opportunities and challenges. Members of the public (individuals not on the Committee) also provided input at this meeting.
- July 19, 2013 – Housing Element information table at Kaiser Permanente Farmer's Market. The public was provided information on the Housing Element update process and provided their input on housing opportunities and challenges.
- October 19, 2013 – Housing Element information table at the Riverside Neighborhood Conference held at Riverside Community College. The public was provided information on the Housing Element and provided their input on housing opportunities and challenges.

Draft Housing Element:

- July, 2014 – An initial Draft Housing Element was completed, and submitted to the California Department of Housing and Community Development (HCD) for review.
- September 26, 2014 - HCD completed its review and provided written comments to the City outlining items the City needed to address deficiencies and meet the statutory requirements of Housing Element law.
- April, 2015 - the City completed revisions to the Housing Element and submitted its Second Draft Housing Element to HCD for review.
- July 2, 2015 - HCD completed its second review of the Housing Element and determined that the Housing Element met most of the statutory requirements described in HCD's September 26, 2014 review. However, in their letter, HCD indicated that they could not find the City's Housing Element in full compliance until the City adopts its Housing Element, and completes its Rezoning Program (Rezoning of sites to meet the RHNA under Implementation Plan Program H-21).

The Draft Housing Element reviewed by HCD, included a Rezoning Program that would have accomplished the required rezoning of sites through a Smart Code Specific Plan. However, the Smart Code project was never funded and the Rezoning Program has not been completed.

- Since late 2015, the City staff has evaluated numerous rezoning strategies and scenarios for a rezoning program that will meet the City's RHNA requirement. The adoption of the Housing Element was deferred pending development of a new rezoning program. Because the City has not yet adopted the Housing Element, and has not rezoned sites needed to meet the City's RHNA requirements, the City's Housing Element does not comply with State law.

Housing Element Lawsuit and Settlement Agreement

In October, 2016, a lawsuit (Edwards et al vs. the City of Riverside) was filed against the City for not having a Housing Element in compliance with State law. The lawsuit intended to force the City to take necessary action to achieve a compliant Housing Element or face severe penalties that could be imposed. It is, and has been the City's desire, to have a fully compliant Housing Element certified by the State Department of Housing & Community Development and staff has been working towards that goal. In response to the lawsuit, a settlement agreement was reached. Under the Settlement Agreement the City has to:

- Adopt its Housing Element by October 15, 2017.
- Complete the Rezoning Program (Tool H-21 of the Implementation Plan of the City's Draft Housing Element) to re-zone at least 191 acres of land to a density of a minimum of 24 units/acre by December 15, 2017.

The City's Regional Housing Needs Allocation (RHNA)

The City of Riverside is one of 191 member cities to the Southern California Association of Governments (SCAG), a regional council of government. California State Housing Element law requires SCAG and other regional councils of government to determine the existing and projected regional housing needs for persons at all income levels. SCAG is also required by law to determine each jurisdiction's share of the regional housing need in the six-county Southern California region.

SCAG's Regional Housing Needs Assessment (RHNA) process is performed periodically at the local level, as part of Housing Element and General Plan updates. For each jurisdiction, the RHNA quantifies the housing need by income group during specific planning periods. The current (5th Cycle) Final RHNA Allocation Plan was adopted by SCAG on October 4, 2012, and covers the planning period from October 15, 2013 to October 15, 2021. The RHNA is used as a land use planning tool to prioritize local resource allocation and help decide how to address existing and future housing needs.

The City's total RHNA requirement for this 5th Cycle Housing Element is 8,283 units. This total number is broken down by affordability levels as follows:

- 3,338 units affordable to low-income house households (less than 80 percent of the County's median household income)
- 1,503 units affordable to moderate income households (80 to 120 percent of the County's median household income)
- 3,442 units affordable to above-moderate income households (over 120 percent of the County's median household income).

For the purposes of meeting the City's RHNA requirement, the focus is on rezoning sites to accommodate the low-income portion of the RHNA requirement. Where production of new units falls short of meeting the affordability levels described above, the City must identify vacant and underutilized sites that are zoned for multi-family residential at higher densities that could potentially accommodate residential development with units affordable to low-income households. Although sites must be zoned to allow for higher density multi-family residential uses, this does not mean that they are required to be developed with low-income housing in the future. Rather, the zoning merely must provide the opportunity for such units in the future.

Because the City had an unaccommodated need of 2,739 units for the low-income portion of the RHNA from the previous 4th Cycle 2006-2014 Housing Element, the unaccommodated need carries over to the current Housing Element effort. In 2005, Assembly Bill 1233 (AB1233) amended the State Housing Element law, to require a local government that fails to make adequate sites available in the prior planning period, to rezone adequate sites to address the unaccommodated need from the previous cycle in addition to the projected future need. Together, the low-income portion of the RHNA for the current Housing Element plus the prior Housing Element unaccommodated need, totals 6,077 units. After subtracting units that have been approved/entitled in the current Housing Element planning period plus sites currently zoned for multi-family residential, the

number is reduced to a remaining RHNA need of 4,767 units, which is shown in the RHNA Summary table below.

RHNA SUMMARY

	Affordability Levels				Total
	Very Low	Low	Mod.	Above Mod	
Total RHNA Need (2006-2014 Unaccommodated Need + 2014-2021 RHNA Need)	6,077		2,077	4,610	12,764
Projects in the Pipeline	311		1,864		2,175
Sites Currently Zoned for Residential Development	999		0		999
Remaining RHNA Need	4,767		4,823		9,590

As confirmed by HCD’s latest review, the City needs to approve a State compliant Rezone Program that accommodates an additional 4,767 dwelling units. To accomplish this, the City must adopt a Rezoning Program that identifies candidate sites for zoning, which would permit owner-occupied and rental multi-family residential uses by-right pursuant to California Government Code Section 65583.2(h) (e.g., without a conditional use permit, planned unit development permit, or other discretionary action). At least 50 percent of the remaining 4,767 dwelling units (2,384 units) need to be accommodated on sites zoned exclusively for residential uses. Finally, each site must be large enough to accommodate a minimum of 16 units.

Rezoning Program

Staff has identified a Rezoning Program strategy that would meet and exceed the minimum requirements established by State housing law. The Implementation Program strategy has two rezoning efforts, including: 1) rezoning of properties to a Mixed Use zone consistent with existing General Plan land use designations; and, 2) rezoning properties to the R-3 and R-4, Multi-Family Residential zones, which in many cases will also involve a General Plan Amendment to amend the General Plan land use designation of these properties to a High Density Residential or a Very High Density Residential designation. Although a majority of the sites proposed for Mixed Use zones would be consistent with existing General Plan Mixed Use land use designations (sites primarily within the University Avenue and Magnolia Avenue Specific Plan areas), some of these sites would also require a General Plan Amendment to a Mixed Use land use designation.

The proposed rezoning program includes the following groups of candidate sites that will be studied as part of the environmental analysis and subsequently brought forward to the Planning Commission and City Council for rezoning consideration:

- o Group 1 – Magnolia Avenue Specific Plan: Within the Magnolia Avenue Specific Plan, approximately 14 sites (locations) totaling approximately 90 acres are identified as candidates for rezoning to the Mixed Use-Village (MU-V) and Mixed Use-Urban (MU-U) Zones. The proposed zoning for these candidate sites (except

for a 3.37-acre parcel) would be consistent with their existing MU-V and MU-U General Plan land use designations (approximately 86 acres of consistency zoning).

- o Group 2 – University Avenue Specific Plan: Within the University Avenue Specific Plan, approximately six (6) sites (locations) totaling approximately 13 acres are identified as candidates for rezoning to the MU-V and MU-U Zones. The proposed zoning for these candidate sites would be consistent with their existing MU-U and MU-V General Plan land use designations.
- o Group 3 – Candidate Sites not within a Specific Plan Proposed for Rezoning to Mixed Use: For areas not within the two specific plan areas mentioned above, approximately eight (8) sites (locations) totaling approximately 94 acres are identified as candidates for rezoning to the MU-V and MU-U Zones. Various sites within this group will also require an associated General Plan Amendment to the Mixed Use – Village or Mixed Use - Urban land use designations.
- o Group 4 – Candidate Sites Proposed for Rezoning to Multi-Family Residential: Approximately 41 sites (locations) totaling approximately 198 acres are identified as candidates for rezoning to the R-3-1500 Multiple-Family Residential or R-4 Multiple-Family Residential Zones. Various sites within this group will also require an associated General Plan Amendment to the High Density Residential or Very High Density Residential land use designations.

The proposed Housing Element Update involves Rezoning and General Plan Amendments to as many as 395 acres (303 parcels). This exceeds the minimum 191 acres required to be rezoned to meet the RHNA requirements. However, this “buffer” is necessary to accommodate the potential elimination of sites that may be unsuitable to meet the RHNA as a result of various circumstances, including: sites that change status because of pending or forthcoming development entitlements; (if entitled, some candidate sites will no longer be viable vacant and underutilized opportunity sites), sites with development or compatibility constraints such as airport compatibility requirements, sites that may not be considered acceptable to the State Housing & Community Development Department, and the public hearing process. Any excess rezoned property beyond the current RHNA need, could count towards required zoning to meet RHNA requirements of future Housing Element updates, therefore, any rezoning of sites above and beyond the minimum could benefit the City in the future. All of the candidate sites described above are shown on Exhibit 1 - Candidate Rezone Sites.

Zoning Code Text Amendments

The Housing Element includes as part of its Implementation Plan, Tools (programs) that include Zoning Code text amendments that support and implement the objectives and policies of the Housing Element, that include:

- Implementation Tool H-30 to reduce barriers to development by amending the Zoning Code, such as allowing multi-family residential by right for Rezoning Program Zones (i.e., the R-3-1500 and R-4 Multi-Family Residential Zones, and the MU-U and MU-V Zones) and to amend development standards such as minimum

lot size requirements for these zones. Housing Element law requires that sites zoned to meet the RHNA must allow multi-family residential development by right.

- Implementation Plan Tool H-51 to amend the Zoning Code to allow for supportive and transitional housing in all zones where residential uses are permitted. This tool is required to achieve compliance with the requirements of State Senate Bill 2 (SB2) related to supportive and transitional housing.

These Zoning Code text amendments will be included as part of the Housing Element when it is presented to the Planning Commission for consideration later this year.

NEXT STEPS

The following milestone dates are anticipated for the completion of the Housing Element update program:

- May 18, 2017: Conduct Workshop for property owners of Rezoning Program candidate sites. This meeting is being held the same day as this Planning Commission workshop, and will from 6 to 8 p.m. in the City Council Chambers.
- Late May/Early June: Release Draft Housing Element for public review and submit Draft Housing Element, including the revised Rezoning Program with detailed candidate site information, to HCD for review (60-day review).
- August 10, 2017: Planning Commission public hearings to 1) consider recommending City Council adoption of the Housing Element, and 2) receive public comments on the proposed rezoning and general plan amendments associated with the Rezoning Program (first of two hearings).
- October 10, 2017: City Council public hearing for adoption of the Housing Element.
- October 19, 2017: Second Planning Commission Hearing for consideration of proposed rezoning and general plan amendments for the Rezoning Program.
- December 12, 2017: City Council Hearing for approval and adoption of rezoning and general plan amendments for the Rezoning Program. This action will complete requirements necessary for HCD certification of the Housing Element.

ENVIRONMENTAL REVIEW

This public workshop is provided for discussion purposes, and no approval or determination will be made by City at this time. Therefore no environmental review has been considered because the California Environmental Quality Act (CEQA) only applies to projects that are subject to discretionary approval.

At the time that the Planning Commission holds a public hearing for the Housing Element, the environmental review will include an Addendum to the previously certified Final Program EIR for the General Plan 2025.

At the time that the Planning Commission holds a public hearing for general plan amendments, and rezoning of sites to meet the RHNA, the environmental review will include an Environmental Impact Report (EIR). On April 12, 2017 a Notice of Preparation (NOP) of a Draft EIR (State Clearinghouse No. 20217041039) was made available to the public for a 30-day public review and comment period ending on May 11, 2017. The NOP also included information on a Scoping Meeting scheduled for May 8, 2017. The Scoping Meeting is intended to inform the public about the EIR process and receive comments from the public and agencies concerning topics to be analyzed in the EIR.

EXHIBITS LIST

1. Candidate Sites for Rezoning

Report and Recommendations Prepared by: Doug Darnell, AICP, Senior Planner
Report and Recommendations Reviewed by: Ted White, AICP, City Planner
Report and Recommendations Approved by: Rafael Guzman, Community and
Economic Development Director