

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



September 30, 2021

David Welch, Director
Community & Economic Development Department
City of Riverside
3900 Main Street
Riverside, CA 92522

Dear David Welch:

RE: City of Riverside's 6th Cycle (2021-2029) Revised Draft Housing Element

Thank you for submitting the City of Riverside's revised draft housing element received for review on August 6, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on September 28, 2021 with Matthew Taylor, Senior Planner, Mary Kopaskie-Brown, City Planner, David Murray, Principal Planner, and the City's consultants, Veronica Tam and Associates, and Houseal Lavigne Associates. In addition, HCD considered comments from Inland Counties Legal Services pursuant to Government Code section 65585, subdivision (c).

The revised draft element addresses many of the statutory requirements described in HCD's July 9, 2021 review; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

Riverside City's statutory deadline to adopt a housing element is October 15, 2021. For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of this statutory deadline, then any rezoning to accommodate the regional housing needs allocation, including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that

represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory (for all income-levels). Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

For your information, some General Plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

HCD appreciates the dedication of the housing element update team during of our review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional assistance, please contact Gianna Marasovich at Gianna.Marasovich@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" written in a larger, more prominent script than the last name "West".

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF RIVERSIDE

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

The element was not revised to address this statutory requirement. Please see HCD's prior July 9, 2021 review letter.

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing (AFFH) in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A))*

Enforcement and Outreach: The element was not revised to address this statutory requirement. Please see HCD's prior July 9, 2021 review letter.

Sites Inventory: While the element was revised with some discussion related to identified sites and AFFH; it must still include analysis for all the components of the assessment of fair housing (e.g., segregation and integration, access to opportunity) addressing the number or proportion of units by income group; magnitude of the impact of identified sites on existing socio-economic patterns; whether identified sites and capacity is isolated in geographic areas by income group and conclude whether the inventory exacerbates or improves segregation and inclusion.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

Condition of Housing Stock: The element was not revised to address this statutory requirement. Please see HCD's prior July 9, 2021 review letter.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Progress in Meeting the Regional Housing Need Allocation (RHNA): The City's RHNA may be reduced by the number of new units pending, approved, permitted or constructed since July 1, 2021. The element credits (Table HR-3) 202 entitled or pipeline units toward the RHNA for lower-income household but must also demonstrate the affordability of the units. Specifically, the element must assign these units based on actual or anticipated sales price or rent level of the units or other mechanisms ensuring affordability (e.g., deed-restrictions).

Realistic Capacity: As noted in the prior review, the element must account for the likelihood of residential development in zones allowing 100 percent nonresidential uses. The element (p. 119) notes that sites with mixed-use zoning are developed with 100 percent commercial uses 33 percent of the time. As a result, the element should also describe how the calculation of capacity accounts for this likelihood of 100 percent commercial uses and reflect this likelihood in the residential capacity calculation of identified sites.

Nonvacant Sites: As noted in the July 9, 2021 review, the element identifies nonvacant sites to accommodate the regional housing need for lower-income households, it must support analysis factors with development trends, past experience and reflect the values of those factors in the sites inventory. Please see HCD's prior review for additional information.

In addition, as noted in the prior review, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, it must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Zoning for a Variety of Housing Types (Emergency Shelters): The element now clarifies the industrial zone permits emergency shelters without discretionary action and has ample capacity to accommodate the need for emergency shelters. However, the element should also identify and analyze the actual development standards for any constraint on development and add or modify programs as appropriate.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Design Review: The element mentions projects are subject to design review and site plan review and any project may be referred to the Planning Commission subject to the Director or Committee's discretion. However, the element should analyze these requirement as potential constraints and add or modify programs as appropriate. First, the element should evaluate the relationship between the design review and site plan review, particularly, since the procedures appear to have over-lapping requirements. The analysis should address any impacts on timing and approval certainty. Second, the element should analyze the potential uncertainty of referring development to the Planning Commission. Lastly, the element lists approval findings that may impact approval certainty and costs. For example, "... consistent with the character of the neighborhood and surrounding sites and shall not be detrimental to the orderly and harmonious development of their surroundings and of the City" may impact approval certainty. The element should specifically evaluate these findings, including any measures to promote certainty and add or modify programs if appropriate.

Constraints on Housing for Persons with Disabilities: The element describes that requests for reasonable accommodation are subject to various approval findings, most notably, variance findings that require demonstration of unnecessary hardships and special circumstances that do not apply to comparable properties. A reasonable accommodation procedure should be a unique exception process and intended to promote eliminating barriers to housing for persons with disabilities. Variance findings add, among other things, complexity, uncertainty, and subjectivity that act as a constraint. Programs should be added or modified to address this constraint.

5. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

Farmworkers: The element was not revised to address this statutory requirement. Please see HCD's prior July 9, 2021 review letter.

C. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results

of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

- *Sites Identified in Prior Planning Periods*: While the element includes Program HE 1-2 (By Right Approvals) to extend by-right approval to previously identified sites, the Program should clarify those by-right requirements pursuant to Government Code section 65852.2, subdivisions (c) and (i).
- *Replacement Requirements*: The element identifies sites with existing residential uses and as a result must be subject to a replacement policy pursuant to Government Code section 65583.2, subdivision (g)(3). The element includes Program HE 5-2 (Zoning Code Amendments) and states the zoning code update “could” include replacement provisions but, instead, should specifically commit that the zoning code update or other policies “shall” include replacement provisions.
- *Parking for Emergency Shelters*: Action HE-2.3 commits to update provisions for emergency shelters but should also specifically commit to revise parking requirements pursuant to AB 139 (Chapter 335, Statutes of 2019).
- *Concurrent Rezoning*: HCD understands the City will be completing rezoning prior to the start of the planning period (October 15, 2021) to accommodate the RHNA, including for lower-income households. Please be aware, if rezoning is not completed by October 15, 2021, the element must include a program(s) to rezone sites with appropriate zoning and development standards pursuant to Government Code sections 65583, subdivision (c)(1), and 65583.2, subdivisions (h) and (i).

2. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

The element was not revised to address this statutory requirement. Please see HCD’s prior July 9, 2021 review letter.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Finding B4, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City must revise or add programs and address and remove or mitigate any identified constraints. In addition, the element should be revised as follows:

- *Group Homes for Seven or More Persons*: Action HE-5.7 (Eliminate Zoning Discrimination) should be revised to at least explicitly review and revise zoning

and procedures to allow group homes for seven or more persons in all residential zones and promote approval certainty and objectivity.

- *Streamlined Approvals (SB 35)*: Action HE-5.2 (Zoning Code Streamlining) should be revised to explicitly establish a written procedure to comply with SB 35 ministerial streamlining provisions.

4. *Promote AFFH opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element does not include a complete assessment of fair housing. Depending on a complete analysis, the element may need to add or revise programs as appropriate. For your information, goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends of segregation, promote inclusion and equitable quality of life. Actions must have specific commitment, metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection. HCD will provide additional guidance on goals and actions under separate cover.

5. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

The element includes Program HE-1-10 (At-Risk Preservation) and Action HE-1.9 (At-Risk Preservation); however, the Program or Action should be revised with specific commitment to preserve assisted developments at-risk of conversion to market rate uses. Specifically, commitment should include monitoring and complying with noticing requirements within 3 years, 12 months, and 6 months of the affordability expiration date, coordinating with qualified entities such as non-profit organizations, assisting with funding or supporting funding applications, providing education and support for tenants and establishing specific time parameters around each action where appropriate.

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element was not revised to address this statutory requirement. Please see HCD's prior July 9, 2021 review letter.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(8).)

The element now includes a complete summary of the public participation process to date, including a description of public comments. However, the element must also describe how public comments were considered and incorporated into the element.