

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

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March 4, 2022

Brian Desatnik, Director
Development Services Department
City of Redlands
35 Cajon St.
Redlands, CA 92373

Dear Brian Desatnik:

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

Thank you for submitting the City of Redlands' (City) revised draft housing element received for review on January 5, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The draft element addresses many statutory requirements described in HCD's November 15, 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.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

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 (RHNA), 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).

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

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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 hard work and dedication you, Catherine Lin, Principal Planner; and your consultants during the housing element update. 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 technical assistance, please contact Marisa Prasse, of our staff, at Marisa.Prasse@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall". The signature is stylized and cursive, with a large initial "P" and "M".

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF REDLANDS

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. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing 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).)*

Integration and Segregation: The revised element includes additional information on segregation and integration by income at the local level; however, the regional analyses for race/ethnicity and income and their conclusions still do not reflect the data that the City is substantially different than the County in regards to income and race/ethnicity. As stated in HCD's previous letter, and as supported by HCD's Affirmatively Furthering Fair Housing (AFFH) Data viewer, the regional analyses should be improved to reflect the spatial differences between the City and County by income and race/ethnicity. The element could consider updating its regional maps to show a greater portion of the County as part of this analysis. The element should analyze segregation by race/ethnicity rather than white/non-white. The element's summary of integration and segregation fair housing issues should be revised to reflect the data and analyses.

Disproportionate Housing Needs, Including Displacement: While the element was revised to include a more complete analysis of displacement risk, the element was not revised to address the prior finding regarding the spatial analysis of homelessness and substandard housing. Please see HCD's prior review.

Local Data and Knowledge and Other Relevant Factors: The revised element includes additional sections summarizing environmental justice and growth management land use measures; however, it does not analyze where these growth management land use measures and voter initiatives originated from, what caused these practices, and the lasting impacts of these actions in the perpetuation of segregation and other fair housing issues.

Contributing Factors: The element must list and prioritize contributing factors to fair housing issues. While the revised element now prioritizes these contributing factors, these

factors should be reassessed, prioritized, and revised based on the outcomes of a complete analysis to reflect the most salient fair housing issues. Finally, some contributing factors identified in the element still lack adequately responsive programs (these include but are not limited to geographic (north/south and regional) segregation by race/ethnicity and income, lower environmental quality in downtown census tracts, etc.).

Site Inventory: The element includes maps and graphs of the site inventory that indicate a further entrenchment of many existing fair housing issues, the revised element did not revise the list of identified sites to ameliorate this pattern, and the site inventory is not accompanied by adequate programs to ameliorate these impacts. Furthermore, some of the conclusions in the AFFH site inventory analysis do not reflect the data – there are large portions of South Redlands that are not environmentally constrained by high fire risk (according to CalFire maps) and slopes and have better environmental outcomes (according to CalEnviroScreen) than other parts of the City. While the revised element includes analyses, such as Figure 7.3-5 RHNA Units and City Acreage Comparison by Non-White Population, that addresses RHNA units by income groups (lower, moderate, and above moderate), these graphs or analyses should include the pending projects that constitute the majority of the above moderate RHNA units. These analyses should be revised to include all units that are being utilized to meet the RHNA. While the transit village areas will eventually provide better access to transit mobility options and represent an exciting transit-oriented development opportunity, the element should expand the analysis and list of sites to better formulate development opportunities, goals, actions, and metrics that will result in broader equitable quality of life throughout the community. In addition, the selection and analysis of identified sites should address the significant lack of housing opportunities for lower-income households in the southern portion of the city that are proportionally whiter, more affluent, have significantly improved environmental quality of life, and score higher on the access to opportunity maps so as to address fair housing issues and avoid an isolation of the RHNA.

Goals, Priorities, Metrics, and Milestones: The element largely did not address this finding. The element must add, or revise programs based on a complete analysis, listing, and prioritization of contributing factors to fair housing issues. Goals and actions must significantly seek to overcome contributing factors to fair housing issues and include metrics and milestones to target meaningful fair housing results. Currently, the element identifies programs to encourage and promote outreach and affordable housing; however, most of these programs do not appear to facilitate any meaningful change nor address AFFH requirements, particularly many of the North/South fair housing issues. Given that significant portions of the City are considered high-income/opportunity areas, and because Redlands is significantly whiter and wealthier than San Bernardino County, the element could focus on programs that enhance housing mobility and encourage development of more affordable housing choices in an inclusive manner throughout the community, including South Redlands. Furthermore, the element should consider programs with substantial place-based investments and protection against displacement in areas of high segregation and poverty. For more information, please see HCD's guidance at [AFFH / Fair Housing \(ca.gov\)](https://www.hcd.ca.gov/fair-housing).

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income (ELI) Households: While the element now provides some data on ELI households, it must still include analysis as described in the prior review. Based on the outcomes of this analysis, the element should add or modify programs. Please see HCD's prior review for additional information.

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).)*

Infrastructure: The element now includes information related to access and availability of infrastructure to identified sites. However, the element must still clarify whether sufficient total water and sewer capacity (existing and planned) is available to accommodate the regional housing need allocation (RHNA) and include programs if necessary.

Electronic Sites Inventory Form: 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. 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, while the City has submitted the electronic inventory as part of this revised draft, upon adoption of the housing element, the City must submit an electronic version of the sites inventory to sitesinventory@hcd.ca.gov.

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).)*

Historic Preservation Measures: The element was revised to include some additional detail on the South Redlands Housing Conservation Overlay and the City Design and Preservation element processes, yet this analysis must also analyze the additional time and costs posed by these measures. In addition, the analysis must describe the measures' impact on housing development for all income levels in South Redlands, and where this hinders the ability to create additional housing opportunities in high resource areas.

Processing and Permit Procedures: The element was revised to include a program to remove the conditional use permit (CUP) requirement for multifamily developments greater than 35 units. However, whereas Program 1.2-13 had previously included a program to

remove the CUP for projects over 35-feet, in this latest version of the element this provision has been deleted. The element should either clarify the CUP requirement does not apply to heights over 35 feet or modify Program 1.2-13 to clarify and address the CUP requirement for heights.

Zoning, Development Standards, and Fees: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards, and fees on the City's website and include programs if appropriate. While the revised element includes information regarding noticing of materials in relation to public meetings, the element must still address this finding. Please see HCD's prior review for additional information.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Developed Densities and Permit Times: While the element now discusses several weeks can expire between approvals and plan check review, it must also address the time between approvals and application for building permits and analyze any hinderances on meeting the RHNA.

B. 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 A3, 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, as described in HCD's prior review, the element should be revised as follows:

- *Program 1.1-1 (RHNA Rezoning)*: The Program now includes the minimum acreage and other components, it should clarify and commit to all requirements pursuant to

Government Code section 85583.2, subdivision (h), such as residential only and affordability provisions.

- *Program 1.1-2 (Transit Villages Specific Plan)*: In addition to committing to acreage and allowable densities, the Program must meet all requirements pursuant to Government Code section 85583.2, subdivisions (h) and (i), such as affordability, minimum density, number of units per site and non-discretionary approvals.
- *Program 1.3-1 (Surplus Lands)*: The Program now commits to zoning actions but should still include a schedule of actions as noted in the prior HCD review.
- *Program 1.1-9 (Lot Consolidation)*: The Program notes incentives may be considered but should include clear and specific commitment to establish incentive for lot consolidation, including outreach with property owners and potential developers of housing affordable to lower income households.

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).)*

While the element now prioritizes some programs for ELI and special needs households, it should consider additional actions to assist development based on the outcomes of a complete analysis. Please see HCD's prior review for additional information.

In addition, as noted in the review of programs in the prior planning period, several programs were not implemented, lacked data to evaluate effectiveness or had other circumstances impacting effective implementation. As a result, programs should be added or modified as appropriate in response to lessons learned from the prior planning period. Please see HCD's prior review for additional information.

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 Findings A4 and A5, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints. In addition, the element should be revised as follows:

- *Minimum Lot Sizes*: As noted on page 106, minimum lot sizes pose a constraint on the development of housing and as a result, the element should include a program to address the constraint.
- *2022 Local Voter Initiative*: HCD understands the Town Village Specific Plan is subject to a local voter initiative that, if approved, would essentially remove the City's strategy to accommodate the RHNA, including by income group. The revised element includes an analysis on the 2022 Local Voter Initiative, but the element should be revised to include a program with timelines committing the City to

immediately remedy any impacts on the City's adequate sites strategy or HCD may revoke housing element compliance pursuant to Government Code section 65585, subdivision (i). This program may include a clarification of how the City will interpret the local voter initiative in relation to state housing laws, if approved.

- *Measure U*: While the revised element includes Program 1.1-2 to analyze the consistency of Measure U with state housing laws, it should be strengthened to include a commitment to interpret in a manner that facilitates compliance with the RHNA and state housing laws, and adoption of City policies accordingly.

4. *Promote and affirmatively further fair housing 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 A1, the element must include a complete analysis of AFFH. Based on the outcomes of that analysis, the element must add or modify programs to have specific commitment, milestones, and metrics to overcome fair housing issues and to enhance housing mobility strategies, encourage development of new affordable housing in high resource areas, improve place-based strategies, and protect residents from displacement.

C. 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 revised element states that it was made available to the public on the City's website on December 21, 2021 before being submitted to HCD on January 5, 2022. However, the element should be revised to clarify that all prior public commenters and those on the city's contact list were notified that the revised element was posted to the City's website, whether the City received any public comments and if so, how those comments were incorporated. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revising the document where appropriate. HCD's future review will consider the extent to which the revised element documents how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.