

City of Redlands
REQUEST FOR PLANNING COMMISSION ACTION

Planning Commission

Agenda Item NO. 5. A.

Meeting Date: 01/11/2022

APPLICANT:

CITY OF REDLANDS, DEVELOPMENT SERVICES DEPARTMENT

(Project Planner: Catherine Lin, AICP, Principal Planner)

1. Consideration of Resolution No. 1565 - Discussion and possible recommendation to the City Council to adopt the 2021-2029 Housing Element (6th Cycle Housing Element Update) of the City of Redlands General Plan, and an Addendum to the previously-certified 2035 General Plan Environmental Impact Report.

BACKGROUND

The Housing Element is one of seven (7) mandatory elements of a General Plan, as required by State law. As a component of the City of Redlands General Plan, the Housing Element Update presents a comprehensive set of housing policies and actions for the current planning period of 2021 through 2029 (October 15, 2021 – October 15, 2029). It builds on an assessment of the housing needs and evaluates housing programs, available land, and constraints on housing production (building on the 5th Cycle Housing Element). This 6th Cycle Housing Element retains many of the goals, policies, and relevant implementation programs that were previously adopted. The Housing Needs Assessment contains updated statistics and analyses based on data from the 2010 U.S. Census and the American Community Survey, as well as a revised inventory of sites to meet the Regional Housing Needs Assessment. New updates for the 6th Cycle include analysis pertaining to compliance with AB 686, known as Affirmatively Furthering Fair Housing (AFFH).

SUMMARY

A) Analysis

The 6th Cycle 2021-2029 Housing Element update (the “project”) was prepared by Michael Baker International, the City’s contracted consulting firm, in close collaboration with City staff. The 6th Cycle Housing Element identifies and establishes housing policies with respect to meeting the housing needs of existing and future residents in Redlands. It establishes housing policies that will guide City decision-making and sets forth an action plan to implement the City’s housing goals over the next eight years. A copy of the draft Housing Element attached to this report (see [Attachment A](#)).

The project addresses the following topics as required by State law:

- Population growth and employment trends;
- Household characteristics;
- Housing costs and vacancy rates;
- Inventory of available sites for housing;
- Governmental and nongovernmental constraints to housing production;
- Special housing needs (including seniors, persons with disabilities, developmental disabilities, farm

- workers, homeless, and female heads of households);
- Energy conservation measures; and,
- Existing affordable housing developments.

Per State law (Government Code 65588(a)), the primary purpose of the Housing Element update is to: 1) review and update, as necessary, the City's housing goals, objectives, and policies to maintain consistency with and to aid in achieving State housing goals; 2) evaluate the effectiveness of the element during the prior planning period; and 3) review the City's progress in implementing the current Housing Element.

B) Regional Housing Needs Assessment (RHNA)

California's housing element law acknowledges that, in order for the private market to adequately address the housing needs and demands of Californians, local governments must adopt plans and regulatory systems that provide opportunities for housing development. As a result, housing policy in California rests largely on the effective implementation of local housing elements and identification of land for each jurisdiction's RHNA allocation. However, the State also recognizes that local governments have no control over the housing market. Therefore, the State mandate for RHNA allocation is a "planning target" and not a "building quota." Thus, while the City is required to identify land for housing, the City is not required to enforce actual construction of the units.

The RHNA is an estimate or projection of future housing needs during a specified planning period for all income levels in a jurisdiction, and is required by State law. The State utilizes a top-down process for RHNA allocations whereby HCD distributes RHNA allocations to the Metropolitan Planning Organization (MPO) in each region, and the MPO then distributes the regional RHNA to each jurisdiction within that region. SCAG is the MPO for the Southern California six County region and was responsible for allocating RHNA to the City of Redlands.

The RHNA allocation process for the 6th Cycle Housing Element was robust and controversial due to the fact that all regions in the state received significantly higher RHNA allocations from HCD than previous cycles. Consequently, jurisdictions in the State are tasked to plan for a significantly higher RHNA allocation for the 6th Cycle than previous updates. For the SCAG region, the RHNA allocation distributed from HCD was 1,341,827 units. Of that number, the City of Redlands received 3,516 units.

Income Groups and Density Requirements

A goal in planning for housing is to accommodate housing needs for all income groups. Therefore, it is important to understand how all ranges of income groups are defined. The income groups are categorized by the household income compared to the Area Median Income ("AMI") of the County in percentages. For example, a household making an annual income that is equal to the AMI of the County makes 100% of the AMI. A household making twice the amount in an annual income compare to the AMI would be described as making 200% of the AMI; in contrast, a low-income household would be described as earning between 50% and 80% of the AMI.

In terms of income levels relating to RHNA, the income groups are defined as the following:

- Very-low income: Below 50% of AMI
- Low income: 50% - 80% of AMI
- Moderate income: 80% - 120% AMI
- Above moderate income: Over 120 AMI

Furthermore, HCD sets the baseline minimum density requirements for the Low Income and Very-Low

Income levels for each county in the State, but allows each jurisdiction to set its own density assumptions for the Moderate and Above Moderate income levels. For the jurisdictions within urbanized areas, which includes the City of Redlands, the default minimum density set by HCD for Low and Very-Low income levels is 30 dwelling units per acre (30 DU/acre). The City must use the State’s default minimum density of 30 dwelling units per acre for the Low and Very-Low income RHNA sites, as was the case for the City’s 4th and 5th Cycle Housing Elements. Table 1 shows the density requirements for all income groups for the City of Redlands.

Table 1: Minimum Density by Household Income

Income Levels	Min. Density (DU/acre)
Very-low income	30
Low income	30
Moderate income	12 to 30
Above moderate income	1 to 12

Table 2 presents the City’s allocation of the region’s housing needs by income group.

Table 2: RHNA Allocation for the City of Redlands, 2021-2029

<i>Income Group / Category</i>	<i>Number</i>	<i>Percent</i>
Very Low (less than 50% AMI)	967	28%
Low (50% to 80% AMI)	615	17%
Moderate (greater than 80% to 120% AMI)	652	19%
Above Moderate (more than 120% AMI)	1,282	36%
TOTAL	3,516	100%

Assumptions for Lower and Moderate Income Sites

HCD has the authority to reject RHNA sites proposed by the City if it deems any site to be not suitable for housing development. HCD also has the authority to request that a jurisdiction identify additional sites if it determines the proposed sites are unlikely to yield the target number of housing units (due to various reasons such as the zoning designation, development standards, existing use, or physical constraints such as irregular lot shape). In order to increase the likelihood for the City’s proposed RHNA sites to be accepted, the following assumptions have been utilized for the Low Income and Moderate Income sites.

- 50% calibration factor has been applied to all parcels in the Transit Villages Specific Plan (TVSP) area due to mixed-use zoning. HCD assumes that due to the mixed-use zoning, the actual unit yield of housing units on a site will not exceed 50% of the allowable density.
- All Lower Income and Very Low Income parcels outside the TVSP will be zoned Very High Density Residential (R-3), with a density of 30 DU/acre.

- All Moderate Income parcels outside the TVSP will be zoned Medium Density Residential (R-2), except for properties with current zoning that already allows for densities above 15 DU/acre.

Additional Buffer

Recent changes to State law (Senate Bill 166 – 2017) required cities to continually maintain adequate capacity in their site inventories to meet their RHNA for all income levels. In the event that a site in the City's Housing Element land inventory is developed below the density projected in the Housing Element, or at a different income than projected, the City must have adequate sites available to accommodate the remaining balance of the RHNA. If the City does not have any additional capacity within the existing zoning, it must identify and rezone new sites that can accommodate the remaining need. For these reasons, the City is including a buffer of 20 percent above the RHNA requirement in each income category. This is reflected in Table 3 below.

Table 3: RHNA for the City of Redlands, with Buffer

	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	Total Units
RHNA	967	615	652	1,282	3,516
20% Buffer	193	123	130	256	703
Total with Buffer	1,160	738	782	1,538	4,219

C) Housing Sites Inventory

State Law requires local governments to prepare a site inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment. This inventory is then used to identify sites that can be developed for housing within the respective planning period. The City prioritized identifying sites in areas served by existing infrastructure. Proximity to the City's primary employment centers was also considered during the selection of sites, and compatibility with adjacent land uses.

To meet the RHNA, the City has identified land available for residential development under existing and future zoning. The City is obligated to rezone land to provide for up to 4,219 units (RHNA + 20% buffer) in the near future.

Table 4 summarizes residential development potential for Accessory Dwelling Units (ADUs), pending projects, approved projects, and site capacity. The City has identified capacity for up to 2,610 lower-income units, most of which are included in the sites inventory (not including ADUs, entitled or pending projects). The City can accommodate 1,094 moderate-income units, which are also mostly met on sites in the inventory. The above moderate RHNA can be fully accommodated by recently entitled and pending projects, though the City identified additional eligible vacant sites to provide additional capacity and buffer if necessary.

Table 4: Adequate Sites

Income/Category	Lower	Moderate	Above	Total
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RHNA (+20% Buffer)	1,898	782	1,538	4,219
Identified Sites	2,461	1,052	208	3,721
ADUs	69	42	9	120
Recently Entitled Projects	80		711	791
Pending Projects			1,325	1,325
Total Identified Capacity	2,610	1,094	2,253	5,957
Surplus	712	312	715	1,737

The RHNA sites are dispersed throughout the City to avoid the over-concentration of housing in a particular area, and to ensure housing is distributed in an equitable fashion when considering the availability and proximity of resources and services. City staff created a [webmap \(click here\)](#) showing the locations of all identified RHNA sites, and has made it available for public view on the project website since February, 2021.

Vacant Sites vs. Non-Vacant Sites

Overall, the City can accommodate 1,760 units on vacant sites, including 682 lower-income units. Combined with recently entitled projects (80 units) and ADUs (69 units), the City can accommodate more than 50% (831 of 1,582) of its entire lower-income RHNA without relying on use of non-vacant sites. The City can fully accommodate its moderate- and above moderate-income units on vacant sites, ADUs, and approved/proposed projects. Therefore, the City is not subject to the required findings pursuant to AB 1397.

Despite the fact that the City can accommodate most of its RHNA on vacant sites, infill on non-vacant sites presents clear opportunities and capacity for additional residential development, particularly around the planned Metrolink/Arrow light rail stations. The non-vacant sites included in the City's site inventory have a development capacity of 1,961 units.

D) Evaluation of Housing Programs

Section 6 of the Draft Housing Element is an evaluation of current programs that were adopted by the City in the previous 5th Cycle Housing Element. In all, a total of 60 programs were adopted as part of the previous Housing Element Update, and are listed in Table 6.7-1 of the Draft 6th Cycle Housing Element document which describes the programs, the target date of achieving the goal and the achievements made, followed by a concluding action of whether to continue, amend, or delete the program.

Section 5 of the Draft Housing Element comprises the housing goals, policies, programs, and quantified objectives for the 2021-2029 planning period. Amendments to State law and guidance from HCD urges jurisdictions to create meaningful programs with concrete and specific actions with objective and measurable performance criteria. A matrix of all proposed programs for 2021-2029 can be found in Section 5.7, Housing Programs.

E) Public Outreach

The public outreach effort for the Housing Element Update began in February 2021. This involved engaging with community members, stakeholders, and the City's Planning Commission and City Council in identification of housing issues and involved a diversity of people in Redlands in the planning process. The public participation program included:

- An online community survey
- Stakeholder interviews
- Two virtual community workshops
- Two study sessions and one progress update presentation with the Planning Commission
- One study session with the City Council
- Focused survey on Affirmatively Furthering Fair Housing with stakeholders and service providers

The City heard comments ranging from concerns over affordability, burdens on developers, burdens on service providers, homelessness, access to transit and services, and preference on location of future housing. Many of the programs proposed in this Housing Element Update reflect these topics. The full summary of community engagement activities and outcomes of outreach and survey results are included in Section 8 of the Draft 6th Cycle 2021-2029 Housing Element.

F) Comments from HCD

The City submitted the draft Housing Element Update to HCD for review and comment on September 15, 2021. After HCD's receipt of the document on September 16, 2021, HCD held a subsequent meeting with the City on November 12, 2021 in order to further facilitate the review. Upon completion of the review, comments were provided to the City by HCD on November 15, 2021, identifying required revisions to the draft document in order to comply with State Housing Element Law. Those comments are attached to this report as [Attachment C](#).

G) Revised Draft 2021-2029 Housing Element

Staff and the consultant team have addressed all comments received from HCD for the first round of review. In accordance with HCD's requirement, a redlined version of the revised document was made available on the [project website \(click here\)](#) in December 2021 to allow sufficient time for the public to review the document prior to any public hearings. Notifications regarding the availability of the revised document were sent to interested individuals, as well as through postings on the City's social media platforms. Physical copies of the revised Draft Housing Element were also made available at the City Clerk's Office, the One-Stop Permit Center, as well as at the public library.

H) Public Notification & Public Review

Throughout the preparation of the Draft 6th Cycle 2021-2029 Housing Element, city staff maintained consistent communication with the public by creating a website for the project, regular postings on the City's social media platforms, issuing press releases, display advertisements on Redlands Daily Facts, provide periodic updates through a mailing list of interested individuals and stakeholders, and posting information regarding community meetings at the City's Planning Department, and the City Clerk's office.

For the January 11, 2022, Planning Commission public hearing, a display ad was published on the Redlands Daily Facts on December 30, 2021. Notifications were also provided to the public and interested individuals through the City's website, social media platform, and the mailing list of interested individuals and stakeholders, as well as postings of hearing notices.

ENVIRONMENTAL REVIEW

An Addendum to the 2035 General Plan EIR is the appropriate environmental document for the 6th Cycle Housing Element Update (see [Attachment B](#)). The 2021-2029 Housing Element will necessitate future amendments to the General Plan Land Use Map as well as the Safety Element. However, the amendments will occur in the future and are not included as part of the scope of this project. Therefore, in accordance with Section 15164(a) of the CEQA Guidelines, none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred, and an addendum to the 2035 General Plan EIR has been prepared.

RECOMMENDATION

Staff recommends that the Planning Commission adopt Resolution No. 1565 and make a recommendation to the City Council for the adoption of the 6th Cycle 2021-2029 Housing Element Update, including the Addendum to the certified Environmental Impact Report for the 2035 General Plan and Climate Action Plan.

MOTION

"I move to adopt Resolution No. 1565 and make a recommendation to the City Council to adopt the 6th Cycle 2021-2029 Housing Element Update, including the Addendum to the previously-certified 2035 General Plan Environmental Impact Report."

Attachments

Attachment A: Draft 2021-2029 Housing Element (6th Cycle Update)

Attachment B: Addendum to the Certified 2035 General Plan EIR

Attachment C: First Round HCD Comment Letter (dated Nov. 15, 2021)

Attachment D: Resolution No. 1565
