

Updating the Housing Element Planning for California's Future



California Department of Housing and
Community Development 2012

Why Update?

- ❖ Comply with State Housing Law
- ❖ Sets stage for accessing critical funds
- ❖ Creates opportunity to implement regional goals
- ❖ Provides an opportunity to adopt land-use strategies to address climate change
- ❖ Good Planning = Good Results





The Update Process

- Use existing element as base: Update to reflect new statutory requirements
- No need to start from scratch
- Keep what works – change what doesn't



SB 375 Context for Housing Elements

SB 375 recognizes the link between good housing planning and mobility

It leverages the housing element's focus on actual implementation to promote sustainable community objectives



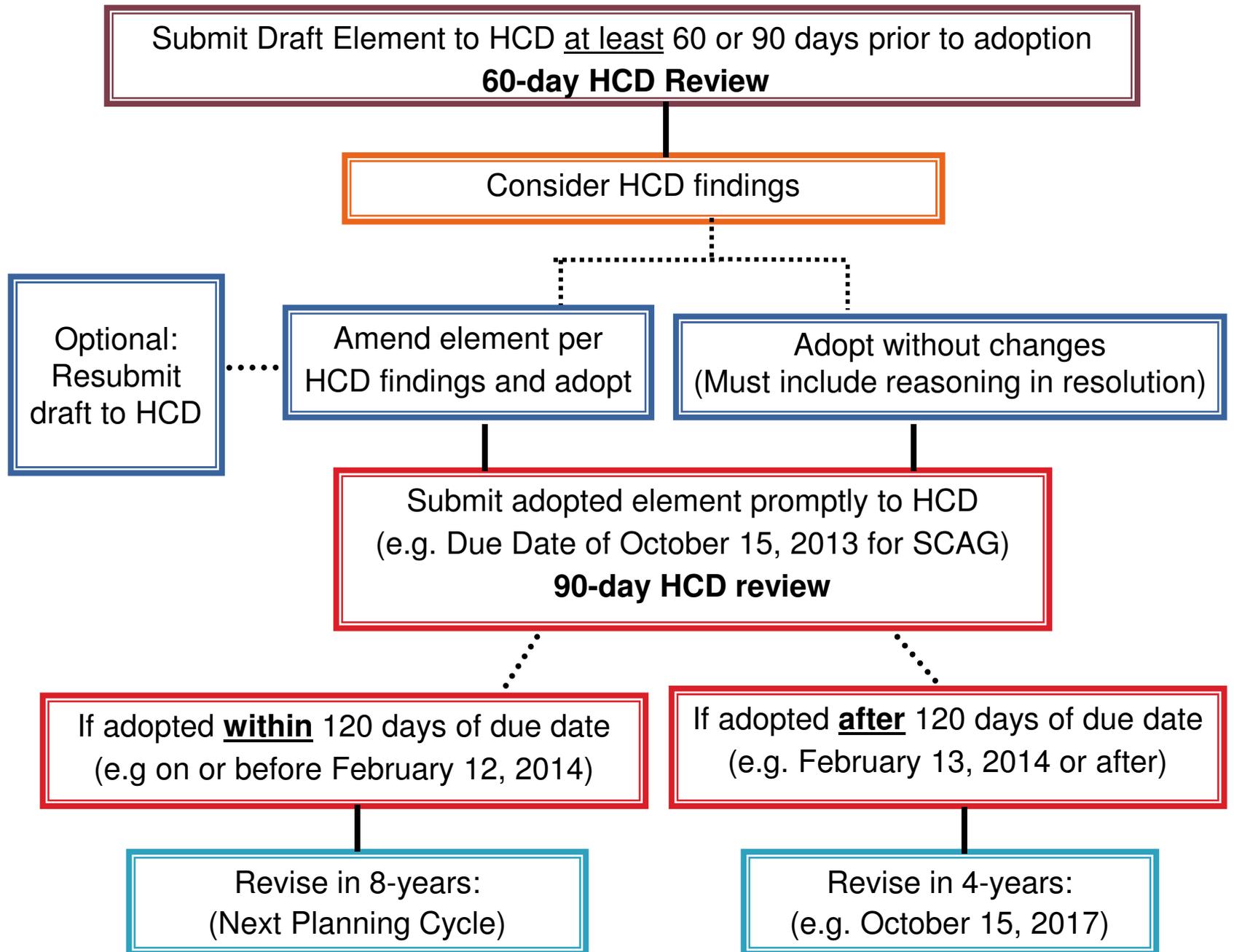
SB 375 – Update Timing



- Projection Period = the time period for which the RHNA is calculated
- Planning Period = the time period for the housing element
- Jurisdictions on 8-year planning cycles must adopt their housing elements no later than 120 days after deadline or will be required to revise their housing elements every four years



REVIEW STEPS AND TIMING



The Streamline Update: The Need

- HCD, Local and Stakeholder Staffing and Resources
- Cumulative Effect
- The era of SB 375
- Market Conditions



Housing Element Streamline Process

- The Update Guidance
- Addressing Challenging Areas
- Other Steps



The Streamline Update Guidance

- Implementation Review
- Completeness Checklist
- Streamlined Update

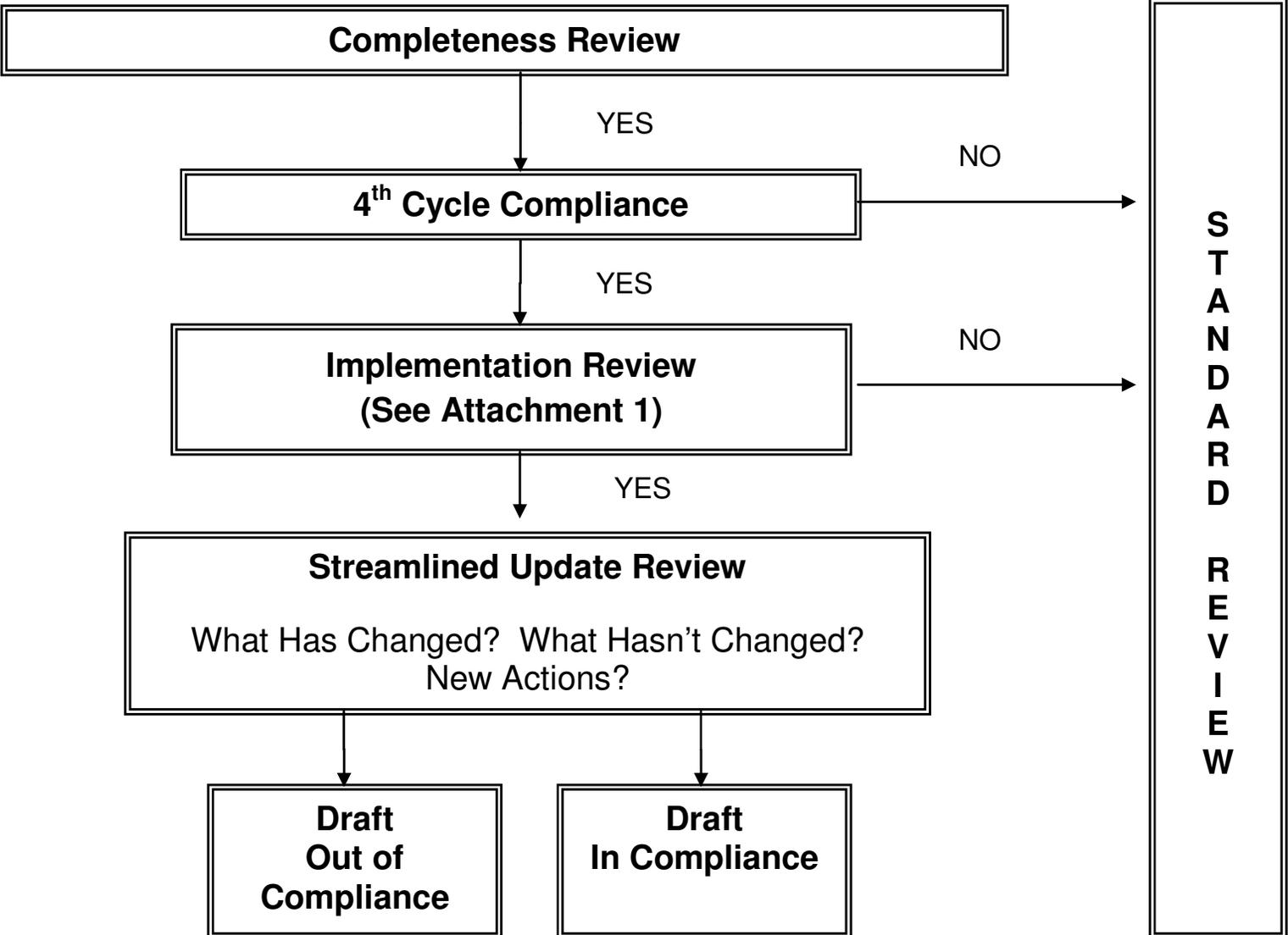


Implementation Review

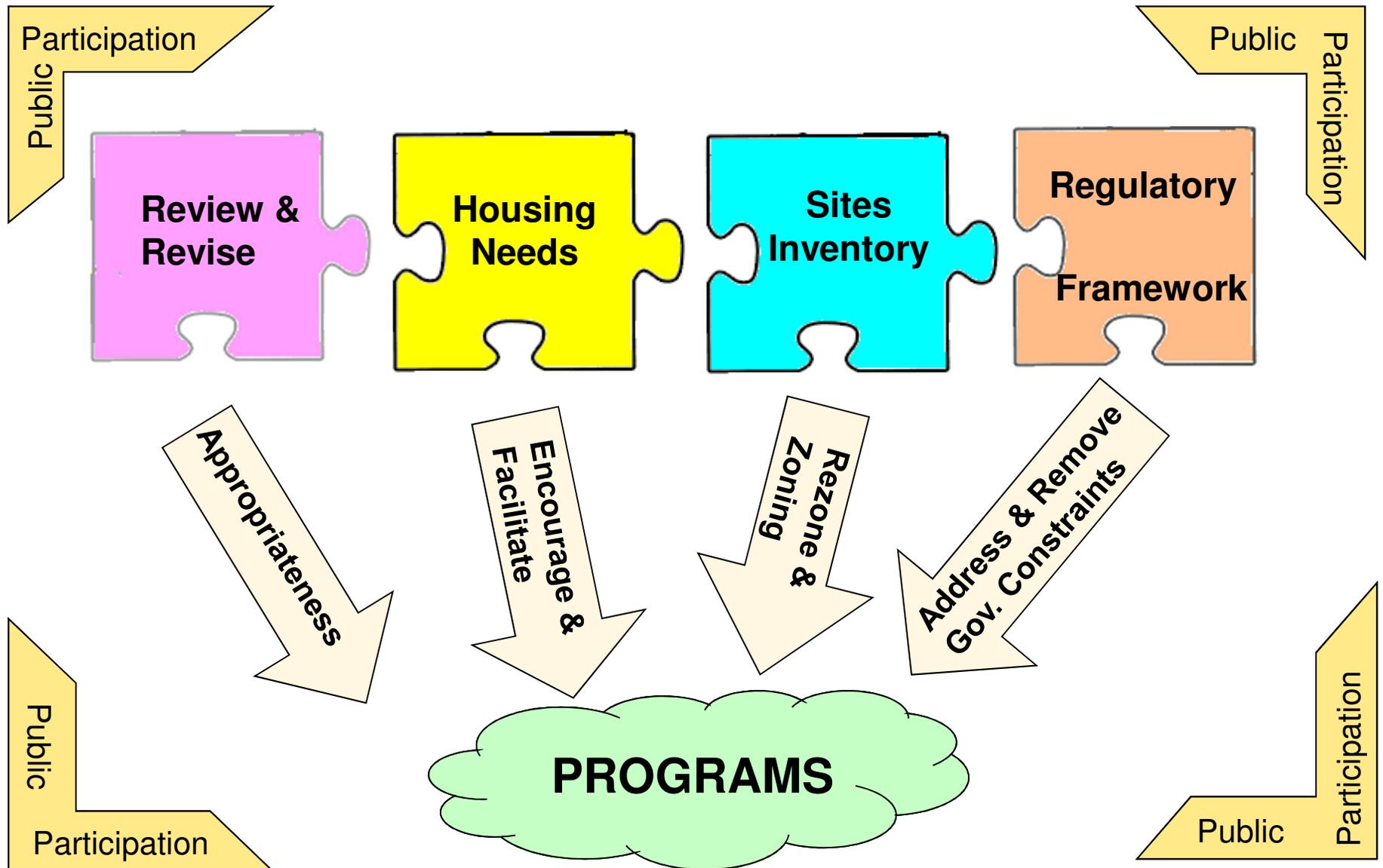
Completion of the Following:

- Compliant Housing Element in the 4th Cycle
 - Rezones from 4th Cycle
 - Zoning for Emergency Shelters
 - Zoning for Transitional and Supportive Housing
 - Reasonable Accommodation Ordinance Adopted
 - Density Bonus Ordinance Adopted
- 

HCD Standard and Streamlined Draft Reviews



Housing Element Framework



Public Participation

Local government must make a diligent effort to achieve the public participation in all economic segments of the community.

“Why?”

- Assists in the development
- Identifies key community concerns
- Leads to acceptance at time of adoption.
- Key to implementation



Review and Revision of Previous Element

- PROGRESS
- EFFECTIVENESS
- APPROPRIATENESS
- ADEQUATE SITES (AB 1233)





Housing Needs Assessment

- Population and employment
- Households characteristics
- Housing stock conditions
- Special housing needs
- Assisted housing at-risk of conversion to market-rate
- Extremely Low-Income





SB 812 (Ashburn) 2010 Persons with Developmental Disabilities

Requires the analysis include an evaluation of the special housing needs of persons with developmental disabilities.

"Developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. This includes mental retardation, cerebral palsy, epilepsy, and autism. - *Section 4512 of the Welfare and Institutions Code*





Potential Governmental Constraints

Describe AND Analyze

- Land use controls
- Building codes and enforcement
- Site improvements
- Fees and exactions
- Permit and processing procedures
- Housing for persons with disabilities



Other General Requirements

- Consistency with other General Plan elements
- Annual reports, due April 1 (GC 65400)
- Coastal zone requirements
- Housing element submission to water and sewer providers (GC 65589.7)
- Opportunities for Energy Conservation
- Other Elements must be updated pursuant to AB 162 and SB 244 upon next revision





Purpose of Inventory



Identify specific sites suitable for residential development to meet the locality's RHNA.



Determine if additional governmental actions are needed to provide sites to accommodate the RHNA.





AB 2308 (Torres) 2012

- Codifies existing practice of allowing units built since the start of the projection period to be credited towards their RHNA.
- Include a description of the methodology for assigning those housing units based on actual or projected sales price, rent levels, or other mechanisms establishing affordability.



Listing of Sites (GC 65583.2(b))

Site Inventory Summary					
APN	Zone*	GP Designation	Acres	Capacity	Existing Use
041042002	R-3	Multifamily Residential	2.0	40	Vacant
037040027	R-2	Multifamily Residential	0.75	7	Vacant
037100040	R-1	Single Family Residential	4.5	22	Vacant
024351002	MU	Mixed Use Commercial	4.5	36	Strip commercial with 40% vacant commercial space
037100039	MU	Mixed Use Commercial	1.5	12	Parking Lot

* Where R-3 = (20-30 du/ac), R-2 =(10-20 du/ac), R-1 = (5-10 du/ac) C-1 = (20 du/ac assuming 60% commercial)





Suitability For Development General Requirements

- General description of any environmental constraints to housing
- Description of existing or planned water, sewer and other dry utilities including the availability and access to distribution facilities
- Size of Parcel
- Map of sites (for reference purposes only)



Suitability For Development Non-Vacant Sites (GC 65583.2(g))

- **Parcel Listing:** Description of Existing uses
- **Evaluation:** Analyze the extent existing uses impede additional development



Suitability for Development Non-Vacant Sites

Factors to consider:

- Age and condition
- Marginal versus operational uses
- Degree of under-utilization
- Property owner and/or developer interest
- General analysis by planning area
- Relate development trends to identified sites
- Regulatory or other incentives to encourage additional residential





Suitability for Development Small Sites

Factors to Consider:

- Typical projects assisted by State and Federal financing are 50 - 150 units
- Reliance on small sites
- Feasibility of development
- Potential for consolidation
- Development trends
- Programs to encourage development and consolidation





Realistic Capacity (GC 65583.2(c)(1&2))

Capacity for each listed property by:

- Established minimum density or
- Based on analysis
- For commercial or mixed use sites capacity estimate must consider extent non-residential uses are allowed.

Analysis must adjust for land use controls and sites improvements

Realistic Capacity and Mixed Use

Factors to Consider:

- How is residential allowed (100% residential versus mixed use)
- Performance standards or requirements for residential or mixed use



1050 B St., San Diego, CA

Realistic Capacity and Mixed Use

Factors to Consider Cont.:

- Support assumptions with development trends
- Identify most realistic opportunities for residential use
- Policies and programs to encourage residential uses and maintain adequate sites



No-Net Loss

(GC 65863)

- Inventory of sites must accommodate the RHNA throughout the planning period.
- No local government action shall reduce, require, permit the reduction of the residential density, or allow development at a lower residential density than identified in the site inventory unless written findings are made.
- “Lower residential density” means fewer units on the site than were projected by the jurisdiction site capacity calculation.



Densities to Accommodate Housing for Lower-Income Households (GC Section 65583.2(c)(3))

1. Analysis demonstrating the appropriateness of zoning for housing for lower-income households:
 - Market demand
 - Financial feasibility
 - Trends within zones

Or

2. Default densities

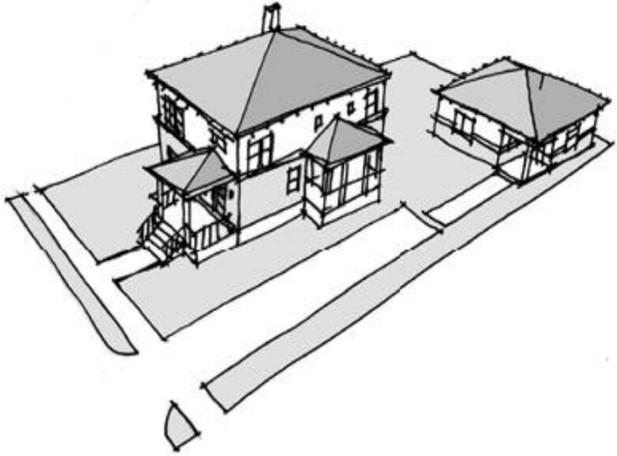




Other Approaches to Identifying sites

- Second units
- Motel Conversion
- Mobile home parks
- Manufactured Homes
- Alternative Adequate sites





Challenge Area: Second Units

Capacity estimate based on:

- Number of units in prior planning period
- Whether units permitted by-right
- Demand
- Resources or Incentives
- Affordability



Challenge Area: Alternative Adequate Sites

- Must have a committed assistance program within first two years of planning period.
- May count up to 25 percent of housing need for the following:

Substantial rehabilitation

Preservation

Acquired housing – Multifamily Renter and Owner,
Foreclosed





Alternative Adequate Sites Amendments

- **AB 720 (Caballero) 2009:** Expands the timeline to provide committed assistance.
- **AB 1867 (Harkey) 2010:** Allows multifamily “ownership” housing converted to affordable to qualify. Also reduces the required number of units from 4 to 3.
- **AB 1103 (Huffman) 2011:** Allows foreclosed properties to qualify under the alternative adequate sites conversion option.

Inventory of Sites
(Listing and Maps of Sites)

Zoning
Analysis or Default Density Housing for a variety of types

Suitability of Sites
Infrastructure and environmental constraints Site analysis Vacant Non-Vacant

Realistic Capacity
Minimum Density and/or Analysis

Sites Program Alternative

Determination of Adequate Sites

Program

Zoning for a Variety of Housing Types

HOUSING TYPES PERMITTED BY ZONING DISTRICT				
RESIDENTIAL USE	ZONE			
	R-1*	R-2*	R-3*	Mixed-Use*
Single Family				
2-4 DU				
5+ DU				
Residential Care < 6P				
Residential Care < 6P				
Emergency Shelter				
Single-Room Occupancy				
Manufactured Homes				
Mobile-Homes				
Transitional Housing				
Supportive Housing				
Farmworker Housing				
2nd Unit				
P=Permitted CUP=Conditional Use * Change zoning designations to match jurisdiction's zoning ordinance as appropriate.				



Emergency Shelters

Must demonstrate sites/zoning are available to accommodate the need and describe the characteristics and suitability of the zone(s). **Is there still sufficient capacity to accommodate identified need from previous planning period?**

SB 2 required that if zoning amendment needed to address emergency shelters, the program must have been implemented within one year of adoption of element – **Has zoning been completed?**



Transitional Housing and Supportive Housing

Transitional housing and supportive housing must be considered a residential use and subject only to restrictions that apply to other residential dwellings of the same type in the same zone.



*Gish Apartments – Supportive Housing, San Jose, CA
Photo courtesy of First Community Housing and Bernard Andre*



Goal, Policy, Program

Goal: Defines the general end point to reach based upon identified need

Policy: The course or method of action to guide and determine present and future decisions

Programs: specific action steps each locality will take to implement its policies and achieve stated goals and objectives



Housing Programs

(GC 65583(c))

Specific commitment
and timeframe

Agency responsible

Beneficial Impact

Program: Reduce per-unit impact fees for small downtown housing units, to reflect smaller household sizes and lesser impacts.

Responsibility: Planning Department and City Council

Timing: December 30, 2014



“Beneficial Impact” – SB 375

- must include a definitive date, deadline, or benchmarks for implementation early enough in the planning period to realize “beneficial impacts” and implementation within the planning period.
- the effects of the implementation of the program should be able to be quantified within the planning period.





Housing Programs

- ★ Adequate sites
- ★ Facilitate housing development for low- & moderate-income households (including extremely low)
- ★ Remove/mitigate constraints
- ★ Conserve/improve existing stock
- ★ Preserve units at-risk
- ★ Promote equal housing opportunities





Adequate Sites Program

(GC 65583(c)(1) and 65583.2(h))

1. 100% of remaining need for lower-income HH.
2. Provide processing by-right:
 - No CUP, PUD or other discretionary review triggering “project” under CEQA.
 - Design review allowed as long as “project” not triggered.
3. Permit at least 16 units per site.
4. Have a minimum density of 16 or 20 units per acre.
5. Accommodate at least 50% of the remaining need on residential-only sites.



Changes to Rezoning Timeframes (SB 375)

8-year Revisions

- Must complete all rezoning requirements within 3 years after EITHER
 - 1) the housing element adoption OR
 - 2) 90 days after receipt of comments from HCD.

- Extension Qualification: complete rezoning to accommodate at least 75% of the remaining need and determine that zoning delayed based on one of the following:
 - a reason beyond the local government's control
 - lack of infrastructure due to fiscal constraint
 - requires a major revision to the general plan



Changes to Rezoning Timeframes (SB 375) 4-year Revisions

- Must be completed no later than three years and 120 days from the statutory deadline for adoption of the housing element.
- No extensions

If rezoning of sites is not completed by deadline, and If the housing development project is to be located on a site to be rezoned

- Complies with applicable standards

AND

If rezoning of sites is not completed by deadline,

THEN

local governments may not:

- disapprove a housing development project,
- require a CUP, PUD, or other imposed discretionary permit,
- impose a condition that would render the project infeasible



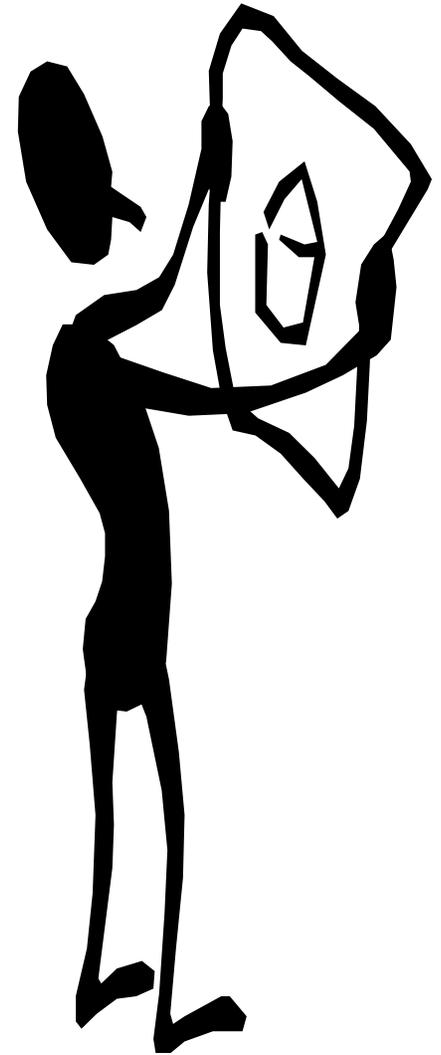
Quantified Objectives

	Extremely Low- income	Very Low- income	Low- income	Moderate	Above Mod
Construction					
Rehabilitation					
Conservation includes Preservation					



Implementation Challenges

- Limited resources
- Loss of federal and state funding
- Loss of RDA
- Market based difficulties
- Local concerns
- Other?



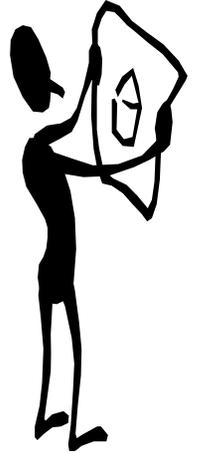
Tool Box of Ideas



- Processing Streamline
- Increase Development Certainty
- Defer, Reduce or Waive Fees
- Promote development of multifamily rental housing for families and workers by prioritizing funding, etc.
- Reduce or modify zoning and development standards
- Partner with employers to fund and assist in housing for workers (teachers, farmworkers, etc.)



Other Ideas

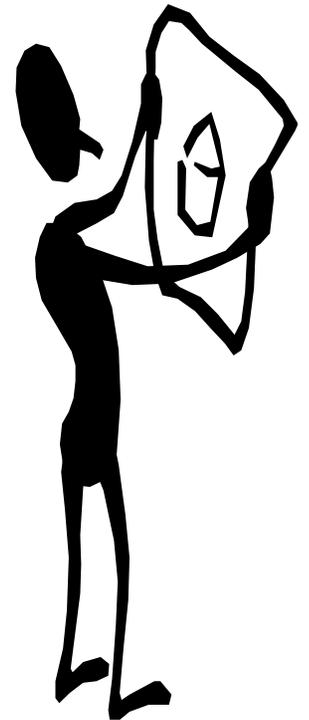


- Land Value Capture
- Development Agreements (DAs)
- Infrastructure Financing Districts (IFDs)
- Mello-Roos Community Facility Districts (CFDs)
- Business Improvement Districts (BIDs)
- Transferable Development Rights (TDRs)
- Transfer Fees
- Former RDA designated tax revenue available for use at the jurisdiction's discretion



Open Discussion

- What has worked?
- Where do you think the most promising opportunities are?
- Where do you think the housing needs should be focused in the next 8-years?
- What do you see as HCD role in addressing implementation challenges?



More Information

**BUILDING BLOCKS FOR
EFFECTIVE HOUSING ELEMENTS**



http://www.hcd.ca.gov/hpd/housing_element2/



www.hcd.ca.gov