

City of Laguna Hills

City Council/Planning Agency Staff Report

DATE: November 10, 2020

TO: Mayor and Council Members

FROM: David Chantarangsu

Community Development Director

ISSUE: 2021-2029 Housing Element Overview

RECOMMENDATION: That the City Council receive and file the report.

SUMMARY:

Every California city and county is required to include a housing element in its general plan which establishes housing goals, policies, and programs that respond to community housing conditions and needs. The City's current Housing Element covers 2014-2021, and has been certified by the state to indicate the element complies with state law. Staff has engaged Placeworks, a planning firm specializing in a variety of activities related to land use and planning, to prepare the City's Housing Element for the upcoming planning period covering 2021-2029.

Placeworks will be making a presentation to the City Council to provide an overview of the upcoming Housing Element process, and also cover some key changes to state law pertaining to the Housing Element and housing development in general. A copy of the PowerPoint presentation is attached for the City Council's information.

ATTACHMENTS:

Attachment a - Housing Element Overview PowerPoint Presentation

Attachment 6.3.1.a

Housing Element Overview
PowerPoint Presentation
November 10, 2020 City Council Meeting

Packet Pg. 347



Housing Element Overview:

New Housing Laws

Laguna Hills City Council November 10, 2020



Housing Element Overview

- » Required element of the General Plan
- » State-mandated update schedule
- » Reviewed and certified by State (HCD) for compliance with State law
- » Plan for accommodating a jurisdiction's "fair share" of the regional housing need

HCD's Schedule

» Housing Element Planning Period:

October 15, 2021 – October 15, 2029

» Actual Adoption Deadline:

October 15, 2021

» Must adopt within 120 days of deadline or switch to 4-year cycle

Housing Element Contents

- » Analysis of existing and projected housing needs
- » Inventory of available land for housing
- » Analysis of potential constraints on housing (e.g., permit processing procedures, fees)
- » Evaluation of previous housing element
- » Goals, policies, and implementation programs:
 - Provide adequate sites and strategies for housing
 - Assist in development of affordable housing
 - Remove governmental constraints
 - Preserve existing affordable housing
 - Promote equal housing opportunities (fair housing)

Regional Housing Needs Assessment (RHNA)

State

Housing and Community Development

Region

- Southern California Association of Governments (SCAG)
- Regional Housing Needs Determination (RHND)

Local Jurisdiction • Every city and county must plan to accommodate its "fair share" of the regional housing need.

Laguna Hills 6th Cycle = 1,980 UNITS

Regional Housing Needs Allocation (RHNA)

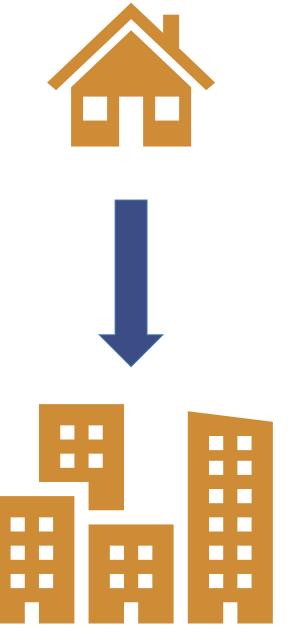
Income Category	RHNA
Extremely Low Income (<30% of Median Income)	283 units
Very Low Income (31%-50% of Median Income)	283 units
Low Income 51%-80% of Median Income)	353 units
Moderate Income (81%-120% of Median Income)	353 units
Above Moderate Income (>120% of Median Income)	708 units
TOTAL	1,980 units

919 "Lower Income"

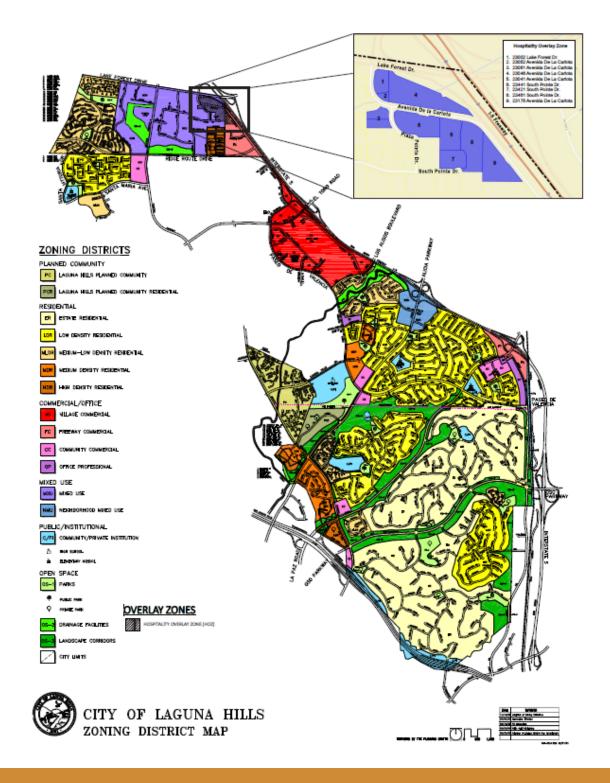
Accommodating the RHNA

- » Cities and counties must show adequate land zoned for housing to accommodate the RHNA at each income level
- » Default density standard for lower-income housing (Section 65583.2(c)(3)(B)):

Type of Jurisdiction	Default Density
Metropolitan jurisdictions	30 units per acre
Suburban jurisdictions	20 units per acre
Nonmetropolitan jurisdictions with a micrometropolitan area	15 units per acre
Nonmetropolitan jurisdictions	10 units per acre



Current Zoning Map



What Counts Towards 6th Cycle of RHNA

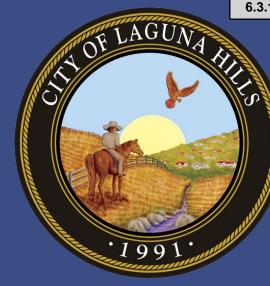
- » Residential units that could be developed on vacant sites
- » Residential units that could be developed on non-vacant sites
- » Programs in the Housing Element to change zoning so more housing can be accommodated on vacant or non-vacant sites
- » Residential units approved or constructed starting June 30, 2021
- » In limited quantities:
 - Anticipated Accessory Dwelling Units (ADUs)
 - Programs in the Housing Element to facilitate:
 - Conversion from non-affordable to affordable units with assistance from local jurisdiction
 - Substantial rehabilitation
 - Internal conversions of larger homes to 2-, 3- and 4-plexes

Rezone Requirements

- » Per GC 65583.2(h), if a jurisdiction does not have adequate capacity for lower-income housing
 - Must rezone within 3 years of the beginning of the planning period (October 15, 2021)
 - Zoning must have 20 units/acre minimum density
 - Minimum density and development standards must permit at least 16 units per site
 - Residential uses must be allowed by-right
 - No conditional use permit
 - No planned unit development permit
 - No discretionary review that would constitute a project under CEQA
 - Can conduct design review (but limited to the design and not the use itself)

Penalties for Non-Compliance

- » Four-year update penalty (Section 65588(e)(4)(A))
- » RHNA carries over to the next Housing Element cycle (essentially doubling next RHNA obligation) (Section 65584.09)
- » Various State grant and loan programs require a certified Housing Element
- » General Plan could be found inadequate
- » Vulnerable to lawsuits and fees
- » Cities can lose local control of land use decisions through court intervention (AB 72)
 - Court can suspend local control of building permits



Key Changes to State Housing Law

AB 72 – Increased HCD Enforcement

- » HCD may revoke housing element compliance for failure to complete housing element rezone obligation (or any other act or failure to act that is inconsistent with the housing element)
 - HCD may report to the Attorney General violations of:
 - No net loss statute
 - Housing accountability act
 - Density bonus law
 - Fair housing law
- » HCD may report to the **Attorney General** violations of:
 - No net loss statute
 - Housing accountability act
 - Density bonus law
 - Fair housing law



AB 1397 - Non-Vacant Sites

- » Development potential for non-vacant sites must consider:
 - Extent to which existing uses are an impediment
 - Development trends
 - Regulatory incentives
 - Prior experience converting to higher-density residential uses
 - Market demand
 - Leases and existing contracts for current uses.
- » If more than 50% of lower-income sites are non-vacant sites, existing uses are presumed to impede development absent findings
- » Sites are presumed inappropriate for lower-income housing:
 - Less than half-acre
 - Greater than 10 acres



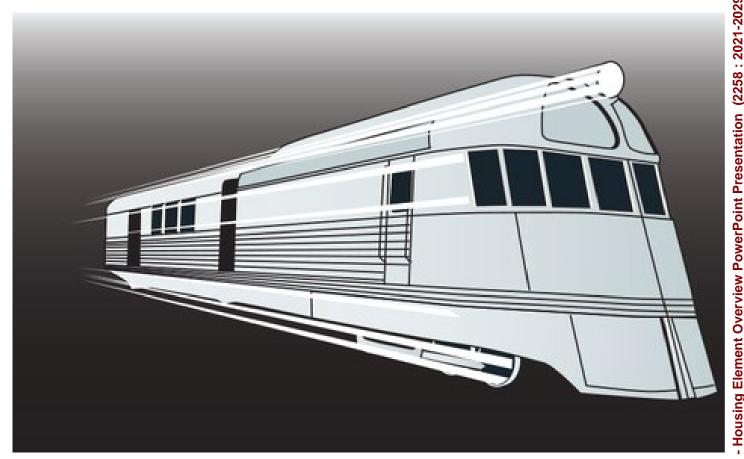
SB 166 – No Net Loss Zoning

- » Downzoning and Reduction in Density
 - If a project is approved on a housing element site with either **fewer units** or a **different income category**, cities and counties must either:
 - Make written "no net loss" finding that other housing element sites are adequate to meet the RHNA for lower- or moderate-income housing; or
 - Identify and make available within 180 days other sites zoned at a density suitable for lower- or moderate-income housing
 - Burden is on the local jurisdiction, not the developer.

SB 35 – Streamlined Approval for Housing Projects

» SB 35 Applies to Most Jurisdictions

- If number of building permits issued is less than the share of the RHNA by income category for the reporting period.
- Not met above moderate RHNA: projects with 10% low-income eligible for streamlining.
- Not met low-income RHNA: projects with 50% low-income eligible for streamlining.
- » Objective Standards!



SB 330 – Housing Crisis Act

- » Removes "Roadblocks" to Development
- » Prohibits Downzoning
- » Reduces Process Time
- » No Subjective Design Standards



Housing Accountability Act

- » Projects cannot be denied unless:
 - City has adopted a compliant Housing Element and has **met or exceeded its share** of the RHNA for all income categories applicable to the development.
 - City makes written findings that the project would have a **specific**, adverse impact upon public health or safety; with no feasible way to mitigate or avoid these impacts without rending the development financially infeasible.
 - Required to comply with state or federal law.
 - Site is adjacent to or zoned for agriculture or resource preservation.
 - Does not have adequate water or wastewater facilities.
 - Project is inconsistent with both the jurisdiction's zoning ordinance and general plan.

Housing Accountability Act, cont'd

» Housing Development Projects:

- Residential-only
- Mixed-use projects where square footage is at least 2/3 residential
- Transitional or supportive housing, emergency shelters

» Enforcement

• Fine for non-compliance within sixty days of court order is a minimum of \$10,000 per unit in the development.

Attachment: Attachment a - Housing Element Overview PowerPoint Presentation (2258 : 2021-2029 Housing

Project Schedule

Housing Element Schedule/Next Steps

Milestone/Task	Date
Project Kick-Off	September 2020
City Council Housing Element Overview Presentation	November 10, 2020
Review of Previous Housing Element; Stakeholder Consultations	November – December 2020
Sites Analysis	November 2020 – February 2021
Community Workshop 1	January 2021
City Council Study Session	February 2021
Administrative Draft – City Review (1-Month)	February 2021
Preparation of Public Review Draft	March 2021
Community Workshop 2	March 2021
City Council Hearing to review the draft	April – May 2021
Submit Draft to HCD (60-day review)	May 2021
Conference call with HCD to resolve issues; receive "Conditional Compliance" letter	June 2021
City Council Adoption Hearing	July – August 2021
Submit Final Adopted Housing Element to HCD	August – October 2021

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Thankyou