# CHINO HILLS CITY COUNCIL PUBLIC WORKSHOP March 23, 2021

#### 6th CYCLE HOUSING ELEMENT UPDATE



## Housing Element Update Workshop

- 1. Housing Element Overview
- 2. Housing Element Update Process
- 3. 6<sup>th</sup> Cycle Housing Element Schedule
- 4. Regional Housing Need Assessment (RHNA)
- 5. Default Densities
- 6. Public Participation
- 7. Comments & Responses
- 8. Available Site Criteria
- 9. Review of Potential Sites
- 10. Existing Multifamily
- 11. Next Steps

### **Housing Element Overview**

- Since 1969, California has required all local governments to adequately plan for the housing needs of everyone in the community
- Housing Element is one of the seven required elements of the General Plan
- Housing Element is updated approximately every 8 years
- Department of Housing and Community Development (HCD) administers and ensures local government compliance
- 6th Cycle covers the period from June 30, 2021 through October 15, 2029

## **Housing Element Process**

#### The Housing Element process generally includes the following steps:

- 1. Determine the Regional Housing Need Assessment (RHNA)
- 2. Update previous Housing Element
- 3. Submit draft Housing Element to HCD for review/approval
- 4. Revise and adopt (or adopt without changes) Housing Element
- 5. Submit adopted Housing Element to HCD

#### **Housing Element Update Schedule**

- Housing Element submitted to HCD for review and approval by October 15, 2021.
- To meet this schedule, Chino Hills will need to follow this recommended timeline:
  - 1. Identify adequate sites: April 2021
  - 2. Completed Draft Housing Element document: May 2021
  - 3. Planning Commission Review and Concurrence of Draft Housing Element: June 2021
  - 4. City Council Review and Approval of Draft Housing Element: June 2021
  - 5. Submittal of Draft Housing Element to HCD: July 2021
  - 6. 60-day HCD Review Period: July September 2021
  - 7. Revise Housing Element Update: September October 12, 2021
  - 8. Submittal of Final Housing Element to HCD: October 15, 2021
- Along a parallel track, General Plan Update process to incorporate the land use changes required by the Housing Element.

## Regional Housing Need Assessment (RHNA) – 6<sup>th</sup> Cycle

HCD establishes total number of new units for the region:

#### 1,341,827

- 26.2% Very Low Income households
- 15.4% Low Income households
- > VL + L = Lower or Affordable ( statewide 41.6%)
- 16.7% Moderate Income households
- 41.7% Above Moderate Income households.

Cities with a higher proportion of a Above Moderate Income households receive a greater proportion of the region Lower Income housing need

SCAG then takes the lead and establishes a methodology for allocating the units across its many local governments within its 6 county region

#### RHNA – 6<sup>th</sup> Cycle

- SCAG started its part of the 6th Cycle RHNA process in 2019
- Chino Hills actively participated in that process
  - Attended all the RHNA subcommittee meetings;
  - Provided written comments to SCAG on the RHNA process in 4 separate letters, articulating concerns about SCAG's RHNA methodology and allocation of units. No SCAG response.
- October 2020, SCAG's final methodology and unit allocation
  - Included proximity to transit and jobs
- Chino Hills appealed its 6th Cycle RHNA based on SCAG miscalculation of job accessibility and transit need
  - SCAG staff defended its calculations based on the Connect SoCal Plan. 2020-2045 Regional Transportation
     Plan / sustainable Communities Strategy establish a long range vision that balances further mobility and housing needs with economic, environmental and public health goals.
  - On January 6, 2021, the six member SCAG RHNA appeal board considered Chino Hills appeal.
  - Support for Chino Hills argument regarding the accuracy of the Connect SoCal Plan job accessibility and transit data.
  - O However, citing the need to follow the SCAG RHNA methodology and concerns that any units taken from Chino Hills would need to be reassigned to another city, the appeal board voted in support of SCAG staff's recommendation to deny Chino Hills' appeal by a vote of 4 to 1, with one abstention.

## Chino Hills 6th Cycle RHNA

TOTAL RHNA UNITS FOR CHINO HILLS*		3729
Very low income (<50% of AMI**)		1388
Low income (50-80% of AMI)		821
Subtotal "Lower Income" or "Affordable"	2,209	(59%)
Moderate income (80-120% of AMI)		789
Above moderate income (>120% of AMI)		731
*calculation difference due to rounding; **AMI = Adjusted median income, based on the County of San Berna	rdino avera	ge incomes.

• 4th Cycle RHNA = 1,040 Total Units; 338 Units (33%) "Lower Income"

• 5th Cycle RHNA = 862 Total Units; 365 Units (42%) "Lower Income"

## RHNA Compliance – Default Densities

Challenge: Identifying adequate available sites to accommodate the 2,202 "Affordable" units

#### How to Define "Affordable" in the Housing Element?

- 1. Provide an analysis demonstrating average rents, sales prices or that the cost of development will yield "Affordable" Housing.
  - In Chino Hills, such an analysis is infeasible because very few, if any, houses rent or sell at rates that are affordable to Very Low or Low Income households.
  - THIS IS DIFFICULT FOR MOST CALIFORNIA CITIES. AS A POINT OF REFERENCE, 2020 LOW INCOME FOR SAN BERNARDINO COUNTY IS \$60,250 FOR A 4 PERSON HOUSEHOLD. HOUSING FOR SALE = 3X = \$180,750, AND FOR RENT = \$1,506.
- 2. Or...California Government Code allows local governments the option of utilizing "default" density to accommodate housing for Lower Income households
  - The default density standard provides a streamlined option for local governments to meet the density requirement.
  - If a local government zones a site to meet the default density, no further analysis of a site's sales or rent price or affordability is required.
  - Default densities established by HCD for "Metropolitan Jurisdictions" such as Chino Hills: 30 units or more per acre.

#### **Chino Hills Use of Default Densities**

- Under the Default Density Option: Chino Hills must zone sufficient sites at a density of no less than 30 dwelling units per acre.
- In addition, the Government Code Section sets a minimum development density of 20 units per acre for these zoned sites.
  - To qualify a site under the default density provision, a project built on a designated site (zoned at a density of 30 units or more) must be built to a density of no less than 20 units per acre.
- Chino Hills has successfully used the Default Density option in its past Housing Elements
  - For example: Avalon Bay Apartments Zoned Very High Residential up to 35 DU/AC
    - Built 331 units at 22.74 DU/AC
  - Moderate Income High Density and Medium Density zoned sites (Maximum Densities from 25 -12 DU/AC)
  - Upper Income Low Density Residential categories and Single Family Detached.
- \* HCD REPORTING ANNUAL REPORT REQUIREMENTS IDENTIFY ANY UNITS THAT ACTUALLY SELL OR RENT AT RATES AFFORDABLE TO "LOWER INCOME" HOUSEHOLDS. This has caused some newspaper publications to give us a C, but is not representative of the City's actual compliance with housing element law

#### **Public Participation**

- Public participation is an important component of the Housing Element Update process
- Local governments are required to make a diligent effort to include all economic segments of the community in the development and update of the Housing Element
- Public Workshops: integral part of the participation process
- A one-quarter page ads in the Chino Champion
- Flyers and notifications sent to over 100 property owners, nonprofit housing developers, developers, religious facilities, and fair housing groups
- A press release, Social Media posts, posting on the "City News" section of the City website, e-notify
- A Housing Element Update page on the City website
- Public outreach will continue throughout the Housing Element Update process

Comments received during the meeting addressed a wide variety of issues.

All comments have been responded to during workshops, in staff reports, and directly.

- Potential impacts related to water, noise, schools, traffic, and parking
- Concern regarding impacts to open space, unique natural environment, and beauty
- Recommendation that high density units be spread throughout the City
- Suggestion to rezone sites, including Aerojet or Boys Republic, to high density housing
- Concern regarding conversion of big box retail to high density housing
- Why does Chino Hills need to comply with the RHNA
- Concern about the consequences of systematic racism

#### Why does Chino Hills need to comply with the RHNA

- Concern regarding state mandate to build high density housing
  - Measure U
  - Penalties of Non-compliance

**RESPONSE:** State RHNA allocations override local residential growth control ordinances, including Measure U.

In addition, the City of Chino Hills adopted Measure U contains language recognizing the mandate to comply with State RHNA obligations: Measure U states:

Notwithstanding the foregoing, the City Council may increase residential density as necessary to meet the City's minimum mandated Housing Element requirements as set forth in California Government Code §65580, et seq., as amended from time to time, including, without limitation, the City's share of regional housing needs.

#### WHAT ARE THE PENALTIES IF CHINO HILLS DOES NOT PLAN FOR ENOUGH HOUSING?

- State Housing Element Law requires that cities plan for all types of housing based on the allocations they receive from the Regional Housing Needs Assessment (RHNA) process.
- The State requires this planning in the form of having a compliant Housing Element.
- The State also requires cities to submit annual progress reports that require cities to demonstrate their compliance with their Housing Element.

## WHAT ARE THE PENALTIES IF CHINO HILLS IS LATE SUBMITTING ITS HOUSING ELEMENT BY THE OCTOBER 15, 2021 DEADLINE?

• Late submittal of a Housing Element can result in a city being required to submit a four-year update to its Housing Element rather than the current eight-year cycle.

## WHAT ARE THE PENALTIES IF CHINO HILLS DOESN'T FOLLOW THE STATE'S HOUSING ELEMENT REQUIREMENTS?

- City would become ineligible for State grant funds, which could result in a loss of \$500,000-\$900,000 in grant funds applied to State required tasks that would otherwise be funded through the city's General Fund
- The State may refer jurisdictions to the Attorney General if they do not have a compliant Housing Element, fail to comply with their HCD-approved Housing Element, or violate Housing Element laws
- The consequences of those cases brought by the Attorney General are up to the courts but can include financial penalties
- Because the Housing Element is one of the required components of the General Plan, a city without a compliant Housing Element may risk legal challenges to their General Plan from interested parties outside of the State.

## WHAT HAPPENS IF CHINO HILLS FAILS TO COMPLETE THE REZONINGS ESTABLISHED IN ITS HOUSING ELEMENT WITHIN 3 YEARS?

- Failure to rezone in a timely manner could result in a city losing its land use authority.
- The State may investigate any local action or lack of action by the city related to its Housing Element compliance.
- The city would be required to carryover its planning for the RHNA units to the next Housing Element cycle.

#### WHAT ARE THE PENALTIES TO CHINO HILLS IF ENOUGH HOUSING ISN'T BUILT?

- If a city does not issue sufficient permits to meet its RHNA building goals, a developer can elect to use a ministerial process to get project approval for residential projects that meet certain conditions.
- A developer could claim rights to building housing on sites not designated by the city for housing.

#### Concern about challenging the RHNA allocation in court

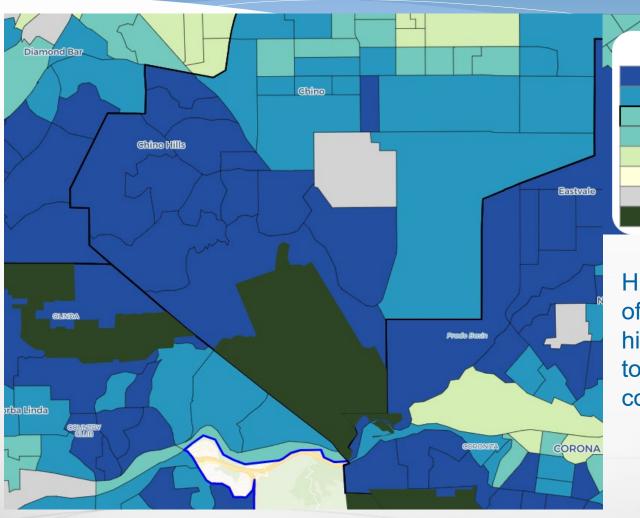
- The California Court of Appeal has held that the statutes governing the RHNA allocation procedure reflect the Legislature's clear intent to prevent the courts from intervening in the RHNA process.
- Therefore, the courts do not have jurisdiction to review the City's RHNA allocation.
- This decision binds the lower courts across the state, so any lawsuit by the City challenging the City's RHNA allocation would be dismissed.
- Further, there is no mechanism for the City or any local agency to challenge the determination by HCD of the RHNA allocated to the southern California region.
- SCAG appealed its RHNA allocation administratively but lost.
- SCAG has not filed legal action challenging its RHNA Allocation.

#### Determination of Consistency with Affirmatively Furthering Fair Housing

- Sites identified to accommodate the lower-income need are not concentrated in lowresourced areas (lack of access to high performing schools, proximity to jobs, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty
- California Tax Credit Allocation/California Department of Housing and Community Development Opportunity Maps – Recommended Resource

#### HCD SITE INVENTORY

**Determination of Consistency with Affirmatively Furthering Fair Housing - continued** 



Highest Resource means an area of highest opportunity (access to high performing schools, proximity to jobs, not segregated, or contains concentration of poverty).

**Legend** 

Moderate Resource(Rapidly Changing)

National & State Park/Forest/Rec Area

Highest Resource

Moderate Resource Low Resource

High Segregation & Poverty

Missing/Insufficient Data

High Resource

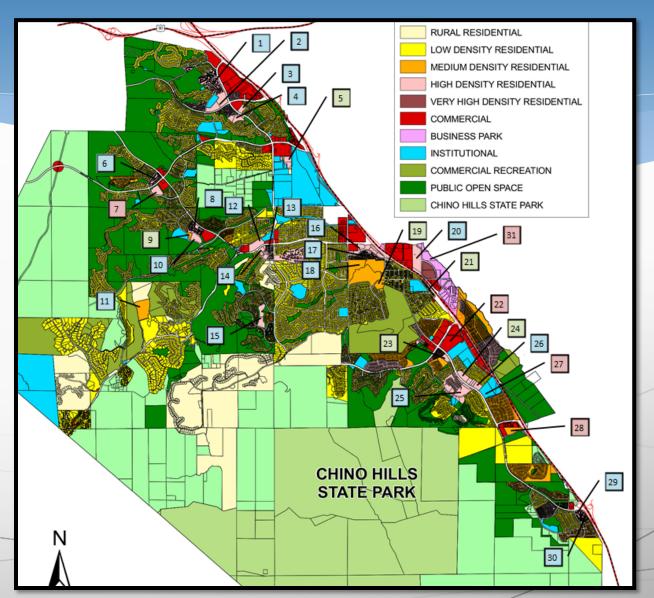
## **Existing Multi-Family Development in Chino Hills**



### **Existing Multi-Family Development**

#### **31 Multi-Family Properties**

- Approx. 5,797 units
- Average 15.3 acres
- Average 19 du/ac



## Site Inventory Guidelines and Potential Sites for High-Density RHNA Units



#### HOUSING ELEMENT UPDATE – 6<sup>TH</sup> RHNA CYCLE

#### Site Inventory Guidebook (Gov. Code 65583.2) – Identification of Sites

- Step 1: Identification of Developable Sites
  - Vacant sizes zoned for residential use
  - Vacant size zone for nonresidential use that allow residential development
  - Residentially zones sites that are capable of being developed at a higher density (nonvacant sites, including underutilized sites)
  - Sites owned or leased by a city and/or county
  - Sites zoned for nonresidential use that can be redeveloped for residential use and rezone the site to permit residential use

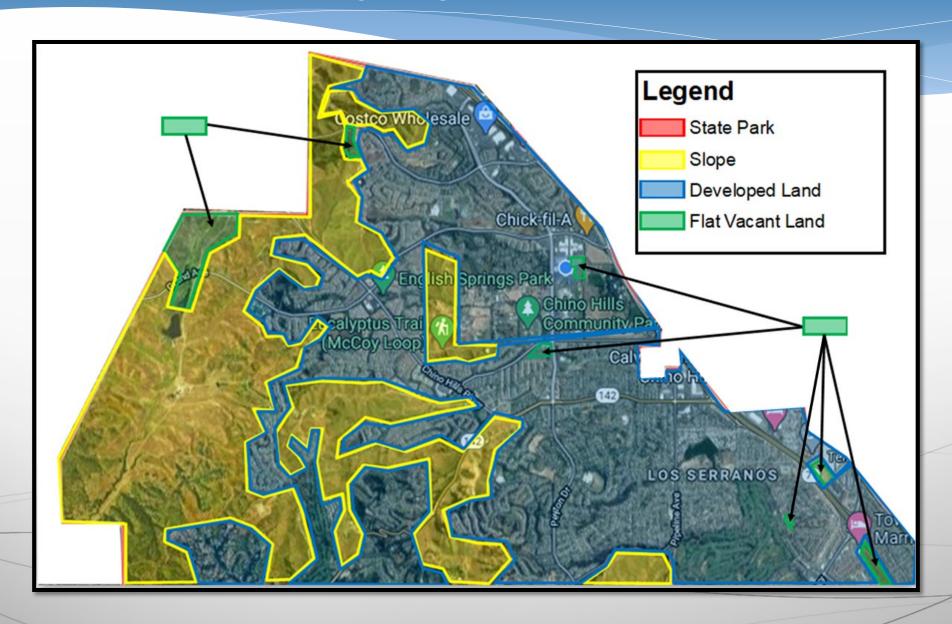
- Step 2: Inventory of Sites
  - > APN
  - > Size
  - Public or private ownership
  - General Plan and Zoning
  - > Existing use and description of developed sites
  - Number of DU's that the site can realistically accommodate
  - > Infrastructure availability
  - RHNA income category the parcel is anticipated to accommodate

#### HOUSING ELEMENT UPDATE – 6<sup>TH</sup> RHNA CYCLE

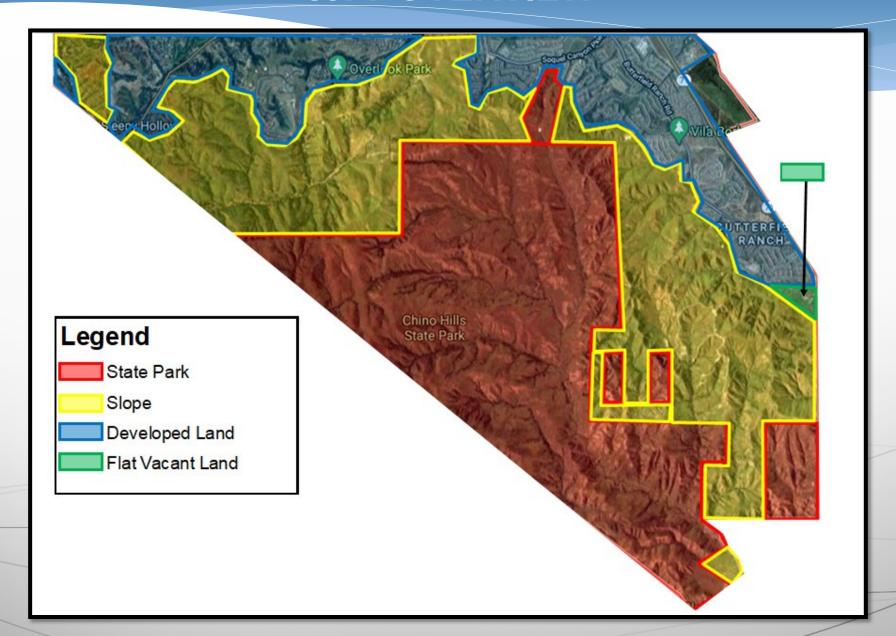
#### Site Inventory Guidebook (Gov. Code 65583.2) – Identification of Sites Cont.

- Step 3: Infrastructure Availability
  - Water, sewer, and dry utilities available and accessible
  - Provide analysis and sufficient detail water and sewer treatment facility have the capacity to accommodate development for all identified sites
- Step 4: Map of Sites
  - Provide map that shows location of sites
- Step 5: Determination of Consistency with Affirmatively Furthering Fair Housing AB 686
- Step 6: Sites by RHNA Income Category
  - > Identify which RHNA income category each site is anticipated to accommodate
  - Number of units for each income category
- Step 7: Environmental Constraints
  - > Describe site specific environmental conditions
  - > Analysis of any known environmental constraints that would have impact the development viability

#### **CITY OVERVIEW**



#### **CITY OVERVIEW**



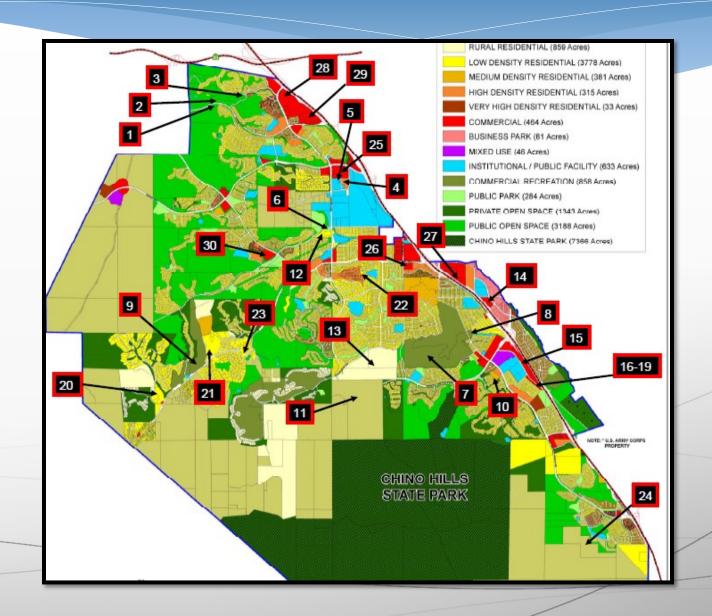
#### **All Potential High-Density Sites**

Site No ▼	APN •	Name	Lot Area (acres)	Topography	Current Zoning	Current GP	Use	Ownership
1	1023-111-30	Chino Rafael South	8.0	Mild Slope (<10%)	PD 17-127	Public Open Space	Open Space	City
2	1023-111-31	Chino Rafael North	4.0	Mild Slope (<10%)	PD 17-127	Public Open Space	Open Space	City
3	1023-121-10 1022-021-30, 31	Rimrock & Rock Springs Shoppes II		Mild Slope (<10%) Flat	PD 17-127 Specific Plan 04-01	Public Open Space High Density Residential	Open Space Vacant	City
5	1022-021-37	Parking Structure		Flat	Specific Plan 04-01	High Density Residential	Vacant	City
7	1032-221-05 1028-351-01	Park Overflow Los Serranos Golf Course		Flat Mild Slope (<10%)	Specific Plan 04-01 C-R	Public Park Commercial Recreation	Vacant/Overflow Lot Golf Course	City Private
8	1028-351-01	Greening	5.3	Flat	C-R	Commercial Recreation	Vacant	Private
9	1031-011-40	Western Hills Golf Course		Mild Slope (<10%)	C-R	Commercial Recreation	Golf Course	Private
10	1017-231-34	Galstain (Behind Jade Tree)	6.3	Slope (>10%)	PD 37-161 (R-S)	Medium Density Residentia	Vacant	Private
11	1017-251-09, 14	Galstain (Soquel)	291.0	Slope (>10%)	PD 19-161 (R-S)	Agriculture/Ranches	Vacant	Private
12	1032-221-02, 04	Caballero		Mild Slope (<10%)	R-S	Low Density Residential	Single-Family Home	Private
13 14	1030-041-03, 04 & 1017-251-05	Wang BAPS		Slope (>10%)	R-R C-F	Rural Residential Commercial	Vacant	Private
15	1028-191-05 1028-202-57, 58, 59, 60, 61 & 1027-121-38, 39, 40, 41	Biz Park		Flat	C-G	Commercial	Vacant	Private Private
16	1017-231-15	Pomona Rincon 1		Flat	PD 51-163 (C-N)	Commercial	Vacant	Private
17	1017-231-15	Pomona Rincon 2		Flat	PD 51-163 (C-N)	Commercial	Vacant	Private
18	1017-231-17	Pomona Rincon 3		Flat	PD 51-163 (C-N)	Commercial	Vacant	Private
19	1017-231-18	Pomona Rincon 4	1.9	Flat	PD 51-163 (C-N)	Commercial	Vacant Single Family	Private
20	1000-131-01 & 1000-121-09	Leo's Stable	TBD	Flat	R-S	Low Density Residential	Home/Equestrian	Private
21	1031-011-69	Stonefield	33.7	Slope (>10%)	PD 18-157	Low Density Residential	Vacant	Private
22	1025-331-35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47	Jolon Gardens	2.7	Slope (>10%)	R-S	Low Density Residential	Vacant	Private
23	1031-071-09	Everbright	6.5	Slope (>10%)	R-S	Low Density Residential	Single-Family Home	Private
24	1033-181-13, 20, 21, 22	Abacherli Property	103.0	Slope (>10%)	PD 57-174	Rural Residential	Vacant	Private
25	1022-021-49	Shoppes	TBD	Flat	Specific Plan 04-01	Commercial	Commercial Center	Private
26	1025-421-06, 07, 08, 09, 10, 11	Woodview Plaza	TBD	Flat	PD 41-149	Commercial	Commercial Center	Private
27	1025-471-06, 07 & 1025-461-06	Commons	9.0	Flat	Specific Plan 06-01	Commercial	Commercial Center	Private
28	1023-011-52	Crossroads Marketplace	TBD	Flat	C-G	Commercial	Commercial Center	Private
29	1023-011-67	Crossroads Entertainment Centi	TBD	Flat	C-F	Commercial	Commercial Center	Private
30	1032-161-01	Gordon Ranch	TBD	Flat	C-N	Commercial	Commercial Center	Private

#### **All Potential High-Density Sites**

## Presented to Planning Commission on February 2<sup>nd</sup> and 16<sup>th</sup>

- 30 total assessed sites
  - 16 vacant
  - 3 open space
  - 11 developed
    - 2 golf courses
    - 3 single-family
    - 6 commercial centers
- Range from .3 291 acres



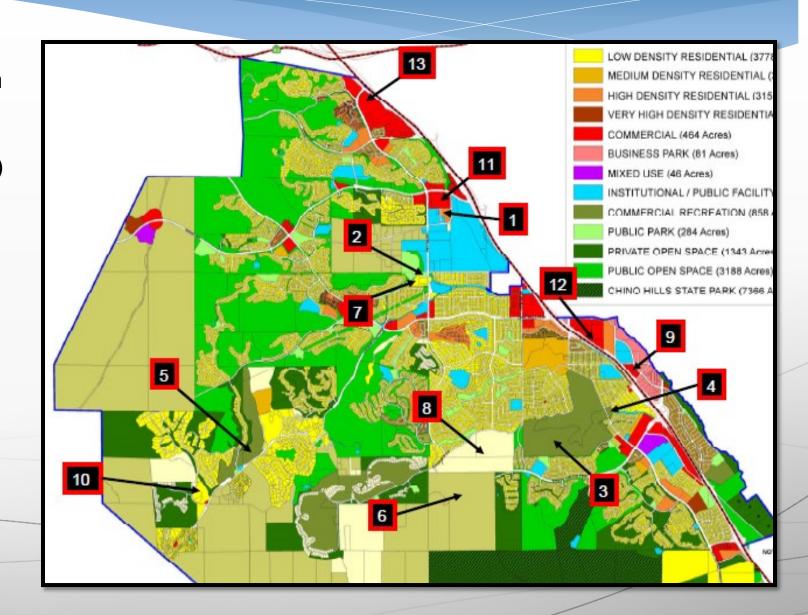
#### **Refined Potential High-Density Sites**

Site No.	APN	Name	Lot Area (acres)	Topography	Current Zoning	Current GP	Use	Ownership
1	1022-021-30, 31	Shoppes II	8.0		Specific Plan 04- 01	High Density Residential	Vacant	City
2	1032-221-05	Park Overflow	2.0		Specific Plan 04- 01	Public Park	Vacant/Overflow Lot	City
3	1028-351-01	Los Serranos Golf Course	90.0	Mild Slope (<10%)	C-R	Commercial Recreation	Golf Course	Private
4	1028-351-01	Greening	5.3	Flat	C-R	Commercial Recreation	Vacant	Private
5	1031-011-40	Western Hills Golf Course	10.0	Mild Slope (<10%)	C-R	Commercial Recreation	Golf Course	Private
6	1017-251-09, 14	Galstain (Soquel)	291.0	Slope (>10%)	PD 19-161 (R-S)	Agriculture/Ranches	Vacant	Private
7	1032-221-02, 04	Caballero	10.0	Mild Slope (<10%)	R-S	Low Density Residential	Single-Family Home	Private
8	1030-041-03, 04 & 1017- 251-05	Wang			R-R	Rural Residential	Vacant	Private
9	1028-191-05	BAPS			C-F	Commercial	Vacant	Private
10	1000-131-01 & 1000-121-	Leo's Stable	TBD		R-S	Low Density Residential	Single Family Home/Equestrian Facility	Private
11	1022-021-49	Shoppes	TBD		Specific Plan 04- 01	Commercial	Commercial Center	Private
12	1025-471-06, 07 & 1025- 461-06	Commons	9.0		Specific Plan 06- 01	Commercial	Commercial Center	Private
13	1023-011-52	Crossroads Marketplace	TBD	Flat	C-G	Commercial	Commercial Center	Private

#### Refined Potential High-Density Sites

#### Presented to Planning Commission On March 2<sup>nd</sup>

- 13 total sites (continuing to assess)
  - 6 vacant
  - 7 developed
    - 2 golf courses
    - 2 single-family
    - 3 commercial centers
- Range from 2 291 acres



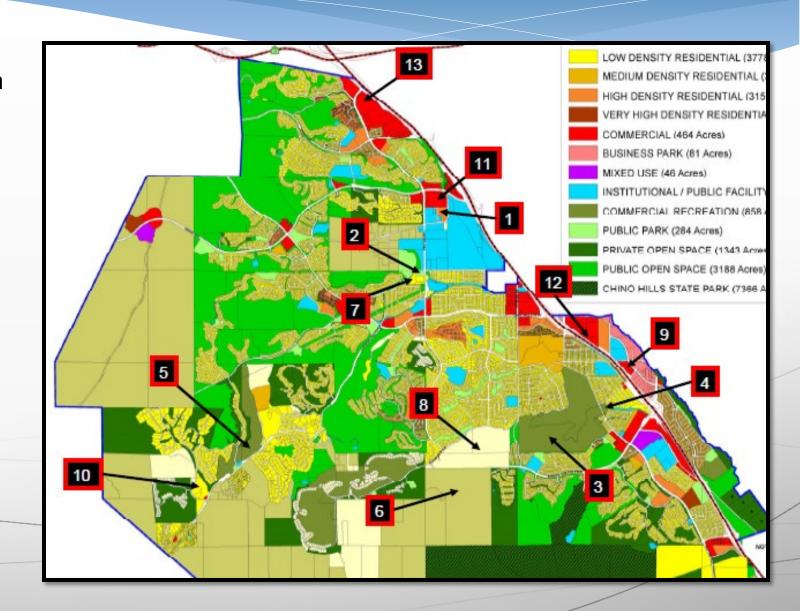
#### **Continued Refined Potential High-Density Sites**

Site No.	APN	Name	Lot Area	Topography	Current Zoning	Current GP	Use	Ownership
1	1022-021-30, 31	Shoppes II	8.0	Flat	Specific Plan 04-01	High Density Residential	Vacant	City
2	1032-221-05	Park Overflow	2.0	Flat	Specific Plan 04-01	Public Park	Vacant/Overflow Lot	City
3		Los Serranos Golf Course		Mild Slope (<10%)		Commercial Recreation		Private
4		Western Hills Golf Course		Mild Slope (<10%)		Commercial Recreation		Private
5	1032-221-02, 04	Caballero		Mild Slope (<10%)		Low Density Residential		Private
6	1030-041-03, 04 &	Wang				Rural Residential	Vacant	Private
7	1022-021-49	Shoppes	TBD	, , , ,	Specific Plan 04-01			Private
8	1025-471-06, 07 & 1025-461-06	Commons		Flat	Specific Plan 06-01			Private
9	1023-401-00	Crossroads Marketplace	TBD		·	Commercial	Commercial Center	

#### **Continued Refined Potential High-Density Sites**

## Presented to Planning Commission on March 16<sup>th</sup>

- 9 total sites (continuing to assess)
  - 3 vacant
  - 6 developed
    - 2 golf courses
    - 1 single-family
    - 3 commercial centers
- Parcel Size from 2 177 acres
  - Site Size from 2 21 acres



#### **Draft Allocation of High-Density RHNA Units**

		Lot Area					
Site No.	Name	(acres)	Use	Topography	Unit Range	Preliminary Unit Capacity	Potential Density
					_		
1	Shoppes II	8.0	Vacant	Flat	235-480	460	57 du/ac
-							
2	Park Overflow	2.0	Vacant	Flat	40-50	50	25 du/ac
_							
6	Wang	15.0	Vacant	Slope (>10%)	0-350	0	23 du/ac
	Truing .	10.0	rasani	C.Opc ( 1070)			20 44/40
SubTotal Vacant						Estimated 510	
3	Los Serranos Golf Course	21.0	Golf Course	Mild Slope (<10%)	220-532	532	25 du/ac
4	Western Hills Golf Course	8.3	Golf Course	Mild Slope (<10%)	0-166	166	20 du/ac
5	Caballero	9.0	Single-Family Home	Mild Slope (<10%)	0-180	180	20 du/ac
7	Shoppes	TBD	Commercial Center	Flat	0-370	151	TBD
8	Commons	9.0	Commercial Center	Flat	0-300	300	TBD
9	Crossroads Marketplace	12.3	Commercial Center	Flat	0-370	370	TBD
Sub Total Developed						Estimated 1,699	
Target Goal						2,209	

#### HOUSING ELEMENT UPDATE – 6<sup>TH</sup> RHNA CYCLE

#### **Next Steps**

- Planning Commission Housing Element Update Workshop #5 April 6
- Refine Site Selection Process
- Draft Housing Element
- Public Review of Draft Housing Element
- Submission of Housing Element to HCD
- General Plan Update

#### Staff Recommendations for City Council Workshop

- Invite Public Comments
- Questions and Answers