

AGENDA ITEM: 6.

DATE: 07-20-09

STAFF REPORT

GENERAL PLAN HOUSING ELEMENT (2006 – 2014)

DATE: July 20, 2009

TO: Lancaster Planning Commission

FROM: Planning Department

APPLICANT: City of Lancaster

LOCATION: City-wide

REQUEST: Update the Lancaster General Plan Housing Element to address housing needs for planning period January 1, 2006, to June 30, 2014

RECOMMENDATION: Receive public testimony on the General Plan Housing Element and approve Resolution No. 09-18, recommending to the City Council approval of an update of the General Plan Housing Element, in accordance with the corrections provided by State Department of Housing and Community Development (HCD) (see Exhibit “A”).

BACKGROUND: State law requires individual communities to accommodate their “fair share” of housing for all economic groups within the community. The Housing Element is the state-mandated General Plan element that addresses how the City will strive to achieve its share of regional housing need within the assigned planning period. The State Department of Housing and Community Development (HCD) is responsible for providing the Southern California Association of Governments (SCAG) with the region’s share of the state-wide housing need. SCAG, in turn, through the Regional Housing Needs Assessment (RNHA), works with subregions and cities to determine each jurisdiction’s share of regional housing need. The housing need numbers are then incorporated into the Housing Element update and provide the basis for formulation of the housing programs for the ensuing planning period.

On May 2, 2008, the City submitted the draft Housing Element to HCD for review. The City received comments back from HCD on July 1, 2008, with a list of corrections. Staff incorporated these comments into the Housing Element and held a City Council public hearing for adoption. On August 12, 2008, the City Council adopted the Housing Element (Resolution No. 08-77). The adopted Housing Element was then forwarded to HCD for certification. On November 19, 2008, the City received further corrections for the Housing Element, including statutory requirements for providing adequate sites and other revisions pertaining to supportive and transitional housing. Staff had made the necessary corrections in the revised Housing Element for HCD certification.

ENVIRONMENTAL REVIEW: Pursuant to Sections 15162 and 15168(c)(2) of the State CEQA Guidelines, the proposed update is within the scope of the Program Environmental Impact Report (SCH #97011074) for the existing Lancaster General Plan and no further environmental review is required.

LEGAL NOTICE: Notice of Public Hearing was posted in three places, and noticed in a newspaper of general circulation per prescribed procedure.

ANALYSIS: The Lancaster General Plan Housing Element Update evaluates existing housing programs and establishes quantified objectives and programs for the January 1, 2006, to June 30, 2014, planning period that address the housing needs of Lancaster residents. The primary objectives of the Housing Element are to provide adequate sites that will permit the provision of affordable housing for all income levels and to identify and accommodate, to the extent possible, segments of the City population with special housing needs. As required by state law, the draft Housing Element has been prepared to be consistent with other elements of the General Plan.

The City also prepares the Housing Element to meet State law requirements and to achieve certification by the California Department of Housing and Community Development (HCD). Certification is an important step for the City in qualifying for many funding programs offered by the State for local housing activities, one of which includes HOME Investment Partnership (HOME). In recent years, HOME funds have been used for the Home Ownership Mortgage Loan Program, as well as assisting in the funding of several housing developments in areas undergoing revitalization. For example, \$3,775,000 in HOME funds was used for the development of Arbor Gardens Senior Apartments, located in downtown. Therefore, a locally adopted and state-certified Housing Element is an essential component in providing the financial assistance necessary to fund projects that contribute to revitalization efforts.

The remaining issues the City addressed in the revised Housing Element to achieve State Department of Housing and Community Development (HCD) certification can be summarized as the following:

- “By-right” density. Currently, the City requires developers to provide amenities in multi-family projects in exchange for higher density. HCD recommends that the density allowed should be “by right,” providing for greater certainty in achieving the City’s Regional Housing Need Allocation. In addition, HCD believes that all multi-family projects should be processed administratively, as opposed to a Conditional Use Permit, which the City requires for projects 10 units or greater and adjacent to single-family uses.
- “By-right” transitional and supportive housing. HCD states that the City should “amend the zoning code to explicitly allow transitional and supportive housing as residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone,” pursuant to Senate Bill 2. The City cannot prohibit or require additional permitting for these facilities beyond what is asked for of any other typical residential use in the same zone. Also, if the City intends to meet HCD requirements and process all multi-family developments

administratively, the City would likewise have to process all transitional and supportive multi-family developments in the same manner.

The revised Housing Element includes other minor changes as required by HCD (see attached letter from HCD, dated November 19, 2008).

Without HCD certification, the City stands to lose significant funding for affordable housing developments and downtown/neighborhood revitalization efforts. Due to this, staff recommends that the Planning Commission recommend to the City Council adoption of the revised Housing Element, to bring it into full compliance with State law and certification by HCD.

Respectfully submitted,

Chuen Ng, Associate Planner

RESOLUTION NO. 09-18

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LANCASTER, CALIFORNIA, RECOMMENDING TO THE CITY COUNCIL APPROVAL OF THE LANCASTER GENERAL PLAN HOUSING ELEMENT UPDATE (2006 – 2014)

WHEREAS, on August 12, 2008, the City Council adopted the General Plan Housing Element for the City of Lancaster; and

WHEREAS, the Legislature finds and declares that “the availability of housing is of vital statewide importance and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order”; and

WHEREAS, this update to the City of Lancaster Housing Element has been prepared pursuant to Article 10.6, Section 65580 – 65589.9 of the Government Code and is detailed in Exhibit A attached hereto and incorporated herein; and

WHEREAS, the City has made a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element; has held a public meeting on October 9, 2007, and public hearings on June 16, 2008, August 12, 2008, and July 20, 2009, for this purpose prior to the adoption of the document and has received and commented on all public testimony both oral and written; and

WHEREAS, staff has performed necessary investigations, prepared a written report, and recommended approval of the update; and

WHEREAS, the Planning Commission makes the following findings:

1. There is a need for the proposed update in order to achieve substantial compliance with Article 10.6, Sections 65580 through 65589.9 of the Government Code.

2. The proposed update is of economic benefit to the City since it establishes policies and action programs that will enable the provision of housing for all economic segments of the community and provides the foundation for future State funding that will aid the City in carrying out its housing programs.

3. The proposed update will not have a significant effect on the environment since pursuant to Section 15162 and Section 15168(c)(2) of the State CEQA Guidelines, the proposed update is within the scope of the Program Environment Impact Report (SCH #97011074) prepared for the Lancaster General Plan and certified by the City Council under Resolution No. 97-102, and no further environmental review is required.

4. The proposed amendment is a planning document which does not grant development entitlements. The proposed update will not result in any changes in land use designations or densities of the adopted General Plan. Therefore, adoption of the proposed amendment will not result in any impacts to traffic and circulation systems or to public service systems.

5. The proposed update will not have a long term impact on the development phasing of the City nor on the City as a whole because the Housing Element is a short-term planning document that is within the scope of the Lancaster General Plan.

NOW, THEREFORE, BE IT RESOLVED:

This Commission hereby recommends that the City Council adopt Lancaster General Plan Housing Element Update (2006 – 2014) as attached hereto.

PASSED, APPROVED and ADOPTED this 20th day of July, 2009, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JAMES D. VOSE, Chairman
Lancaster Planning Commission

ATTEST:

BRIAN S. LUDICKE, Planning Director
City of Lancaster

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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November 19, 2008

Mr. Mark V. Bozigian
City Manager
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534



Dear Mr. Bozigian:

RE: Review of the City of Lancaster's Adopted Housing Element

Thank you for submitting the City of Lancaster's housing element adopted on August 12, 2008 and received for review on August 21, 2008. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h). A telephone conversation with Mr. Chuen Ng, of your staff, facilitated the review. In addition, the Department considered comments from Public Counsel Law Center, pursuant to Government Code Section 65585(c).

The adopted element addresses many of the statutory requirements described in the Department's July 1, 2008 review. For example, the element now includes a more detailed analysis of the housing need, includes a parcel specific listing of sites, and includes programs to assist in the development of housing for extremely low-income households. However, further revision is necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element does not yet demonstrate the adequacy of zoning to encourage and facilitate housing for lower-income households, lacks analysis of the CUP requirements for multifamily housing, and should include revised programs to address the shortfall of identified sites in accordance with Government Code Sections 65583(a)(3) and 65583.2. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates the cooperation of Mr. Chuen Ng throughout the course of the review and is available to assist the City of Lancaster in addressing the remaining statutory requirements. If you have any questions, or wish to schedule a site visit, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,

A handwritten signature in cursive script that reads "Cathy E. Creswell".

Cathy E. Creswell
Deputy Director

Enclosure

cc: Brian Ludicke, Planning Director
Remy De La Peza, Public Counsel Law Center

APPENDIX CITY OF LANCASTER

The following changes would bring Lancaster'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 the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Lancaster has a Regional Housing Need Allocation (RHNA) of 12,799 housing units, of which 5,133 units are for lower-income households. To address the total need, the element relies on approved and entitled units, pending developments, and vacant multifamily sites. In addition, the element recognizes the shortfall of appropriately zoned sites to accommodate the RHNA for lower-income households and commits to the rezone of sites to allow for mixed-use development. However, to demonstrate the adequacy of these strategies to accommodate the City's share of the regional housing need, the following revisions are still required:

Zoning for Lower-Income Households: The element was revised to include a parcel specific listing of higher density sites zoned MR1 and MR2 to accommodate a portion of Lancaster's regional housing need for lower-income households. However, the revised element did not evaluate the adequacy of base densities to accommodate housing for lower-income households. As noted in the previous review, projects may only exceed base densities when specified amenities are provided. Therefore, the element must demonstrate that the base densities of 6.6 (M1) and 15.1 (M2) encourage and facilitate the development of housing affordable to lower-income households based on market demand, development experience within zones, and financial feasibility or include programs to remove or mitigate this requirement. For communities with base densities that meet specific standards (at least 30 units per acre for Lancaster), this analysis is not required (Section 65583.2(c)(3)(B)). To address this requirement, the element could include programs to remove base density restrictions, increase base density requirements, and/or rezone additional sites as appropriate. If the element can not establish the adequacy of these densities, the adequate sites program will need to identify additional sites with appropriate zoning.

Small Sites: Many of the sites listed on Table HE G-5 are very small (less than 0.5 acre). Therefore, the element must include an analysis demonstrating the development potential of smaller sites, including their capacity to facilitate the development of housing for lower-income households. This is particularly important given the necessary economies of scale to facilitate the development of housing affordable to lower-income households. For example, most assisted housing developments utilizing State or federal financial resources typically include at least 50 to 80 units.

Sites to Accommodate RHNA Shortfall: The element has identified a shortfall of sites to accommodate the current estimated remaining need of 308 units for lower-income households. As stated in the revised element (page G-27), the City intends to address the shortfall of sites through a rezone program allowing mixed-use development on commercial and industrial sites bounded by Avenues K and L, 5th Street West, and Sierra Highway. However, the element must include a listing and analysis of sites within this mixed use area proposed for rezoning. The program must allow owner and rental multifamily housing by-right, allowing at least 16 units per site, at a minimum density of 20 units per acre. In estimating the residential development capacity of these sites, the element must account for potential development of non-residential uses. The element should also describe any existing or proposed regulatory incentives and standards to encourage and facilitate mixed-use development.

In addition, while the mixed-use area can account for a portion of the capacity needed to address the shortfall of sites, the element must demonstrate sufficient sites will be rezoned to ensure at least 50 percent of the remaining need will be accommodated on sites zoned exclusively for residential use.

Infrastructure: The revised draft indicates there is insufficient water capacity to accommodate Lancaster's housing need and discusses methods to address water supply issues. However, where insufficient capacity is identified, the element must include specific program actions to address infrastructure capacity limitations or shortfalls.

In addition, while the element states that sewer treatment facilities will need to be expanded to accommodate the projected flows of 2020, it must clarify whether sufficient sewer capacity is currently available to support the City's housing need within the planning period.

Emergency Shelters: The element does not include a complete analysis to address this requirement. While the element now identifies the Light Industrial land-use designation to allow emergency shelters "by-right" (page D-28), pursuant to Chapter 633, Statutes of 2007 (SB 2), it must demonstrate this designation could provide sufficient opportunities to accommodate the identified need. In addition, the element must demonstrate that proposed permit processing, development, and management standards encourage and facilitate the development of, or conversion to, emergency shelters.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).*

Land-Use Controls: While the element now includes additional information describing types of amenities required to achieve project densities above the base density (page F-3), it does not include a description of the process for determining the level of increased densities allowed in relationship to amenities provided, nor a complete analysis of the impact of this requirement on the development of housing affordable to lower-income households. In addition, as many of the sites identified in the inventory are smaller infill sites, the implementation of the requirement could impact the useable developable area necessary to achieve economies of scale. Therefore, the element must analyze the impact of this requirement on approval certainty, feasibility, and housing affordability.

Processing and Permit Procedures: The element now includes information regarding the typical findings for approval and generally concludes this process has not yet resulted in the denial of development proposals. However, the element does not evaluate the impact of the conditional use permit (CUP) requirement of the supply and affordability of housing particularly housing for lower-income households. The revised element estimates 56 percent of the multifamily sites identified to accommodate the RHNA for lower-income households are adjacent or across the street from single-family uses and therefore require a CUP. The element must analyze the potential impact of this requirement on approval certainty, timing, and financial feasibility. Given the reliance on sites subject to a CUP process, the element should include a program to remove or mitigate this permitting requirement.

Constraints on Persons with Disabilities: The element includes an analysis of zoning and development standards for the development of housing for persons with disabilities. However, the element must also describe its procedure for considering requests for reasonable accommodation. Should the City lack a formalized procedure, the City should commit to develop and establish a reasonable accommodation procedure, separate from a variance or CUP, for providing exception in zoning and land-use for housing for persons with disabilities by a date certain.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide*

for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).

As noted in finding A1, the element does not demonstrate sufficient sites to accommodate the City's remaining regional housing need for lower-income households. As a result, the City must add or modify programs to address a shortfall of sites or zoning available to accommodate a variety of housing types, for all income levels, including housing for lower-income families. Specifically, with the City's reliance on Program 6.1.1 (g) to address the shortfall, the program must be amended, pursuant to Government Code Sections 65583(a)(3) and 65583.2, to demonstrate 100 percent of the remaining lower-income housing need will be accommodated within the planning period on sites zoned to permit owner-occupied and rental multifamily uses by-right. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site, at a minimum density of at least 20 units per acre. In addition, the City should be aware at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses.

As stated in the previous review, given Lancaster's acknowledged need and interest in promoting infill opportunities to provide additional housing opportunities for low- and moderate-income families, and as the revised parcel inventory relies on smaller infill sites to accommodate a portion of the housing need, programs in the element still require revision to provide specific policies or incentives that encourage and facilitate this type of development. For example, the element could contain programs that facilitate lot consolidation, such as granting density bonuses as parcels are assembled, or assisting developers in identifying development opportunities, removing or mitigating the CUP requirement for multifamily projects over 10 units, allowing projects to achieve higher densities without requiring provision of amenities, or modifying development standards to assist in achieving higher densities on smaller parcels.

Transitional and Supportive Housing: The element includes program 8.1.2(i) to amend "the definition of congregate living health facility and residential care facilities, among others, that affect the location and use of supportive and transitional housing." In addition, program 8.1.2(g) states transitional housing will be allowed "by-right" in the Light Industrial zone. However, pursuant to SB 2, Program 8.1.2(i) should be revised to amend the zoning code to explicitly allow transitional and supportive housing as residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone. For further information, including the statutory definitions of transitional and supportive housing, please refer to the Department's technical assistance memo on SB 2 http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

2. *Provide information on the redevelopment agency's role in the City's effort to encourage the development of a variety of housing types for all income levels (Section 65583(c)).*

The element did not address this requirement. The element should estimate the amount of funds expected to accrue to the Redevelopment Low- and Moderate-Income Housing Fund over the planning period and identify anticipated use of those funds. The element should verify sufficient funds for all identified programs reliant on RDA.

3. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding A2, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.