

ITEM 6.2: GENERAL PLAN AMENDMENT – 311 VERNON STREET – 2021 HOUSING ELEMENT – PL21-0178

REQUEST

Staff requests the Planning Commission consider the Addendum to the 2035 General Plan Environmental Impact Report (SCH #2019080418, certified on August 5, 2020) and review and make a recommendation to City Council on the proposed updated 2021 Housing Element. The purpose of the Housing Element is to identify current and projected housing needs, and set goals, policies, and programs to address those needs. The updated 2021 Housing Element covers the planning period of 2021 to 2029.

Applicant – City of Roseville

SUMMARY RECOMMENDATION

The Planning Division recommends that the Planning Commission take the following actions:

- A. Consider the Addendum to the 2035 General Plan Environmental Impact Report (SCH #2019080418, certified on August 5, 2020) and
- B. Recommend City Council approve the 2021 Housing Element.

SUMMARY OF OUTSTANDING ISSUES

There are no outstanding issues associated with this request.

BACKGROUND

Since 1969, California has required that all cities and counties adequately plan to meet the housing needs of everyone in the community. This is accomplished through a Housing Element, which is a required component of a local government's General Plan. The purpose of a Housing Element is to identify current and projected housing needs, and set goals, policies, and programs to address those needs. Compliant Housing Elements are updated on eight-year cycles, which are defined by the California Housing and Community Development Department (HCD). The current Housing Element was adopted by City Council in 2013 (2013 Housing Element) and covers the period from 2013 to 2021. The proposed 2021 Housing Element is the City's sixth cycle Housing Element, which covers the period from 2021 to 2029.

The foundation of the Housing Element is the Regional Housing Needs Allocation (RHNA), which begins with a determination of housing need issued by HCD. HCD determined the Sacramento Area Council of Governments (SACOG) planning area needed to provide capacity for 153,512 total housing units. SACOG is required to prepare and adopt a methodology for allocating those units to each member jurisdiction. The Regional Housing Needs Plan was adopted by SACOG on March 19, 2020. Under the SACOG plan, the City must accommodate 12,066 housing units to meet its "fair share" of the State's housing need. This allocation is equivalent to an annual need of 1,508 units for the eight-year planning period.

The determination of housing needs is in two parts, as required by State law:

Overall Allocation: The total number of units which must be accommodated by each jurisdiction.

Income Category Distributions: The total broken up into the following four income levels:

- very low income (less than 50 percent median family income [MFI])
- low income (51 to 80 percent MFI)

- moderate income (81 to 120 percent MFI)
- above moderate income (above 120 percent MFI).

The four income categories listed above must be addressed in a jurisdiction's Housing Element. Specifically, a jurisdiction must provide sufficient zoning capacity to accommodate the projected housing need in each income category. The intent of housing element law is to ensure that jurisdictions do not impede the construction of housing in any income category.

The allocation from SACOG breaks the City's RHNA into income categories, as follows:

- Very low income: 3,855 units
- Low income: 2,323 units
- Moderate income: 1,746 units
- Above moderate income: 4,142 units

The units described as "affordable" are those in the very low income and low income categories, which together are called lower income units. The City must accommodate 6,178 lower income units. The Housing Element includes the required "adequate sites inventory" identifying the parcels in the City which will accommodate the RHNA, and the number of units at each income level the parcels are planned to accommodate. State housing law does not require the City to construct the allocated units within the planning period but does require the City to maintain the required allocation at all times.

In addition to the adequate sites inventory the main sections which Housing Elements must address include:

- An evaluation of the effectiveness of the prior period's Housing Element programs;
- A housing needs assessment describing the community's demographics, household characteristics, housing conditions, and other data;
- An analysis of special housing needs, including the needs of seniors, people with disabilities, people experiencing homelessness, and others;
- A fair housing assessment that considers factors affecting equal access to housing and other opportunities; and
- An analysis of both governmental and non-governmental constraints on the production of housing.

The Housing Element has been updated consistent with the requirements of state law, as described in the Evaluation section below, and has also included the publication of multiple drafts to solicit public feedback, as described in the Outreach section below.

DISCUSSION

The 2021 Housing Element update addresses the requirements of housing element law. This staff report includes a complete list of revised goals, policies, and programs as Attachment 1; a comparison between the 2013 Housing Element data tables and the 2021 Housing Element data tables as Attachment 2; a redlines version of the 2021 Housing Element as Attachment 3; the Addendum to the 2035 General Plan Environmental Impact Report (EIR) as Exhibit A; and a clean version of the 2021 Housing Element as Exhibit B. The redlined version of the 2021 Housing Element does not display the correction of typos, grammatical errors, figure renumbering, or similar. The tables are also not shown redlined because in-table redlines are visually confusing and difficult to read; this is why the stand-alone document comparing

the 2013 and 2021 Housing Element tables has been provided. The discussion below describes the Housing Element revisions to the major sections.

Evaluation of the Prior Housing Element

The evaluation of the prior period Housing Element programs is included as 2021 Housing Element Appendix A. The purpose of this evaluation is to determine how effective the programs have been, and whether programs should be continued, modified, or discontinued. Overall, the City's programs have been extremely effective, with the Roseville Housing Authority designated by HUD as a "High Performing Housing Authority" for the past fifteen years. The evaluation found only two programs should be deleted, because they were obsolete, and the remaining programs should be continued or modified. Over the prior 8-year housing cycle the City achieved the following:

- 49 loans for housing rehabilitation were issued to low income households
- 417 senior households received grants for minor home repairs
- 76 First Time Home Buyer loans were provided to low income households
- 896 housing vouchers were issued
- 1,010 households were assisted as part of the Homeless Voucher Program
- 916 households were assisted through the City's Homeless Assistance and Rapid Rehousing program
- 3,300 residents participated in energy efficiency and renewable energy rebate programs
- \$2,778,284 in funds were provided through the Citizens' Benefit Trust and the REACH fund.

Housing Needs Assessment

The purpose of the Housing Needs Assessment is to define the housing needs of the community, and inform land use planning processes. The assessment describes demographics, household characteristics, housing conditions, employment characteristics, the proportion of renters versus homeowners, and other data. Staff used this data to refine and target various Housing Element programs. For example, the analysis identified the south central area of the City as having the most housing in need of rehabilitation or repair, so the City's Housing Rehabilitation Program prioritizes funds for this area of the City. The assessment begins on Housing Element page X-38.

Special Housing Needs

Housing Element law requires an evaluation of special needs populations, including seniors, people with disabilities, female heads of household, large families, farmworkers, and people who are homeless. The housing needs of these groups may differ from the needs of the general population, and so Housing Elements are required to consider whether these special needs are being met. For example, large families (defined as households with five or more people) need housing with multiple bedrooms in order to avoid overcrowding. The Housing Element identifies the number of large families residing in the City and compares that to the City's existing housing stock, and concludes there are enough multiple-bedroom units available to meet the demand. The Special Housing Needs section begins on Housing Element page X-50.

Fair Housing Assessment

The Fair Housing Assessment is a new requirement for this Housing Element cycle, and requires an assessment of fair housing practices, identification of fair housing issues and contributing factors, an analysis to evaluate whether everyone has access to housing choice and opportunities, and program commitments to further fair housing goals. The analysis relies on mapping of demographic and other

data to determine whether there are concentrated areas of disadvantage (such as poverty, poor housing conditions, etc), areas of low opportunity (such as poor environmental quality), or other fair housing issues that limit opportunity and access to adequate housing. The evaluation found that Roseville has fewer indicators of barriers than in the region as a whole (lower rates of poverty, less segregation, etc), but several fair housing issues were identified. The identified issues include: the south central area of the City is a disadvantaged community with multiple overlapping fair housing issues (concentration of poverty, overcrowding, low opportunity, etc), homelessness disproportionately impacts certain racial or ethnic groups, the City has multiple areas identified as sensitive to displacement (loss of housing), rates of homeownership are significantly higher in the white community than within other racial and ethnic communities, and special needs groups such as seniors and people with disabilities are more likely to struggle with cost burden.

The City's Housing Element programs have been modified to focus on these fair housing issues. For example, the City's programs providing funding for affordable housing (Program 9 and Program 12) were modified to prioritize disbursement of funds to projects in areas at risk of displacement or in areas of high opportunity and the City's down payment assistance program (Program 1) has been modified to focus outreach for the program in disadvantaged communities. The Fair Housing Assessment begins on Housing Element page X-96 and a summary of fair housing issues and responsive programs is on page X-134.

Program Revisions

The 2021 Housing Element includes 36 programs which cover a wide array of housing issues, from new construction efficiency measures to homeless rehousing. For ease of review, Attachment 1 provides all of the revisions to goals, policies, and programs. Program revisions generally fall into one of three categories: changes for consistency or clarity; modifications in response to Housing Element analysis; and new programs.

Programs which were modified or added for consistency or clarity include Program 2 (Density Bonus), Program 3 (Accessory Dwelling Unit), Program 4 (Condominium Conversion Ordinance), Program 5 (Streamline Project Processing), Program 7 (Public/Private Partnerships), Program 8 (Affordable Housing Agreements), Program 30 (Process and Fee Structure Review), Program 31 (Review of Subdivision Improvement Standards and Zoning Ordinances), Program 32 (Public Education Program), Program 33 (Public Participation), Program 34 (Special Needs Housing Laws), Program 35 (Roseville Electric Program), and Program 36 (New Construction Efficiency Measures). These programs were all augmented to include an objective statement (e.g. review the Zoning Ordinance once per year), to provide additional explanation and description, and to reflect current state laws or City codes and practices. Program 6 was deleted because it duplicated Program 31.

Where the review of previous programs, housing needs assessment, special needs housing evaluation, or fair housing assessment identified issues of concern, programs have been modified to be responsive to those issues, and to be responsive to public comments. These modified programs include Program 1 (Housing Choice Vouchers), Program 6 (Specific Plan Areas), Program 9 (In-Lieu Fees), Program 10 (Non-Residential Construction Fee), Program 11 (Preservation of Affordable Housing), Program 12 (Housing Successor Agency), Program 19 (Federal and State Programs), Program 20 (Homeless Prevention and Rapid Rehousing), Program 21 (Roseville Community Grant Funds). Examples of modifications include prioritizing affordable housing funds for projects in areas of high opportunity or in areas at risk of displacement. Focusing affordable housing in these areas either provides additional access to housing opportunity or can prevent the loss of stable housing.

New programs include Program 13 (Residential Capacity Monitoring), Program 14 (Rezone Program), Program 15 (Affordable Housing Streamlining), Program 16 (Prioritize Affordable Housing), Program 17

(Housing Replacement Program), Program 18 (Accessory Dwelling Unit Outreach), Program 22 (Address Significant Disparities and Increase Opportunities), Program 23 (Homeless Outreach), Program 24 (Family Mobile Team), Program 25 (Family Reunification Program), Program 27 (Fair Housing and Housing Discrimination Legal Services), Program 28 (Support for Housing for Persons with Development Disabilities), Program 29 (Allow Shared Housing). These new programs were added to be responsive to comments or to issues identified as part of the Housing Element evaluation. Most of these programs are supportive of people struggling with homelessness, support the production of affordable housing, or support access to affordable housing.

Adequate Sites Inventory

The adequate sites inventory is a listing of all vacant and underused properties in the City that can accommodate housing, and begins on Housing Element page X-68. The inventory is required to demonstrate that the City has the capacity to accommodate the RHNA allocation, both in total and at the specified levels of affordability. Density is used as a proxy to determine the affordability of future projects. For the purposes of determining affordability, the City’s inventory assumes that above-moderate income housing needs are fulfilled by Low Density Residential development (fewer than 7 units per acre), moderate income housing needs are fulfilled by Medium Density Residential development (7 to 12 units per acre) plus High Density Residential development of 13 to 22 units per acre, and lower income housing needs are fulfilled by High Density Residential development of 23 units per acre or greater plus Commercial Mixed Use development.

The results of the City’s inventory are found in Housing Element Table X-27, shown below, and conclude that the City has a slight surplus of above-moderate unit capacity, a significant surplus of moderate income unit capacity, and a 1,791-unit shortfall of lower income unit capacity. The Housing Element is required to include a “rezone program” to make up this shortfall in lower income units.

Table X-27 Comparison of Regional Housing Need and Existing Residential Unit Capacity					
Income Category	Regional Housing Needs Allocation	Vacant Land	Underutilized Opportunity Sites	Accessory Dwelling Units	Housing Unit Surplus or Deficit ⁴
Very Low ¹	3,855	3,985	357	45	-1,791
Low ¹	2,323				
Moderate ²	1,746	4,676	42	34	3,006
Above Moderate ³	4,142	4,644	0	1	503
Total	12,066	13,305	399	80	1,718

The Rezone Program is included as Program 14 of the Housing Element, with detailed supporting evidence for the program capacity found in Appendix E. The program provides for an additional capacity of up to 2,086 lower income units, which would address the identified shortfall. The program includes four strategies, described briefly below.

Commercial Corridors – The City would adopt Specific Plans for the Atlantic Street, Douglas/Harding, and Douglas/Sunrise commercial corridors which would revitalize these areas and add capacity for 400 high density housing units.

Infill Intensification – The City would amend the land use and zoning designation of selected properties in the Infill Area, to remedy inconsistencies between land use and zoning and to increase the permitted residential densities. This would add capacity for 186 high density residential units.

Opportunity Sites – The City would identify vacant non-residential sites to rezone to high density residential uses. This strategy would add capacity for 600 high density residential units.

Vacant Sites – The City would adopt a land use amendment policy to increase the land use density of vacant sites with High Density Residential land uses at densities below 25 units per acre. Increasing the density would yield more units on these sites, and add capacity for 900 high density residential units.

No housing projects or land use amendments would be approved with the adoption of the Housing Element. This is a policy-level document, establishing the framework for future actions. The Rezone Program identifies potential sites and strategies but does not commit the City to amend the land use or zoning of any specific sites; the Rezone Program commits the City to accommodating its RHNA obligation. After the 2021 Housing Element is adopted the City would begin identifying sites, developing policy language for adoption, and taking specific land use actions. This will include future public outreach and public hearings.

PUBLIC OUTREACH

The Housing Element includes a detailed description of public outreach activities (see Housing Element page X-8), and also includes copies of written comments, outreach materials, and a description of changes made in response to comments (see Housing Element Appendix H). To summarize, after presenting the Housing Element update as a publically-noticed informational item at the July 15, 2020 City Council meeting (virtual), staff began preparing for broader community outreach. A comprehensive website with both summary information and detailed information was launched in August 2020, and announcements about the website and the initiation of the project were published through NextDoor, Facebook, Twitter, an article in Roseville Today and in Business Matters, and via e-mail to the City's listserve. The City also completed the following outreach activities:

- In September and October the City distributed FlashVote surveys, one on housing types and outreach needs and the second on housing needs and concerns, with approximately 1,000 local respondents participating.
- On October 20, 2020 the City held a virtual workshop to provide information on the project, the City's development processes, and affordable housing.
- On October 27, 2020 at 6 p.m. and October 29, 2020 at noon the City held virtual community meetings to take comments and input on Housing Element development.
- Beginning in October 2020 and continuing through publication of the Adoption Draft on July 9, 2021, staff engaged in one-on-one interviews and meetings with stakeholders and community-based organizations. Groups and service providers contacted for individual interviews included The Gathering Inn, Volunteers of America, AMI Housing, Meta Housing, Mercy Housing, Placer County Whole Person Care, and the Latino Leadership Council. The City also discussed the project at the North State Building Industry Association and the Roseville Coalition of Neighborhood Associations board meetings.
- On December 18, 2020 the City published the first preliminary draft of the Housing Element for review.
- On May 25, 2021 the City published the second draft of the Housing Element for review, which included changes in response to comments received on the first draft.

- On June 1, 2021 the City published a revised second draft of the Housing Element for review, which addressed informal comments received from HCD.
- On July 9, 2021 the City published the adoption draft of the Housing Element for review.

Comments received during outreach activities covered a wide array of topics on all aspects of the Housing Element, including requests for additional supporting data or refinements to data, requests for additional supporting analysis or explanation, requests for program changes to more specifically define targets and communities served, concerns about housing affordability and equitable access to and distribution of housing, and other issues. The 2021 Housing Element has been shaped and informed by this public participation.

PROCESS AND NEXT STEPS

Housing Elements are required to be reviewed and approved by HCD. The City submitted the second draft of the Housing Element to HCD on April 16, 2021 and received a written response on June 15, 2021. HCD identified six issues requiring revision in the City's Housing Element. These revisions have been completed and were incorporated into the Housing Element (Exhibit B). The letter from HCD and staff explanation of the changes made in response is included as Attachment 4 of this staff report.

After the Planning Commission hearing staff will prepare and publish a Final Draft Housing Element prior to the City Council hearing tentatively scheduled for August 18, 2021. Once the Housing Element has been adopted by City Council it will be resubmitted to HCD for a 60-day review period. HCD will issue a determination letter to the City at the close of this review.

ENVIRONMENTAL DETERMINATION

An Addendum to a previously certified environmental impact report may be prepared for a project if only minor technical changes or additions are necessary or none of the conditions calling for the preparation of a subsequent EIR have occurred (California Environmental Quality Act Guidelines [CEQA] Section 15164). Consistent with CEQA Guidelines Section 15164, an Addendum to the 2035 General Plan Environmental Impact Report (SCH #2019080418, certified on August 5, 2020) has been prepared in order to demonstrate that none of the conditions described in Section 15162 of the CEQA Guidelines calling for preparation of a subsequent EIR have occurred and that only minor technical changes or additions are necessary in order to deem the adopted or certified prior environmental document adequate to describe the impacts of the proposed project.

RECOMMENDATION

The Planning Division recommends the Planning Commission take the following actions:

- A. Consider the Addendum to the 2035 General Plan Environmental Impact Report (SCH #2019080418, certified on August 5, 2020)
- B. Recommend City Council approve the **GENERAL PLAN AMENDMENT – 311 VERNON STREET – 2021 HOUSING ELEMENT – PL20-0178**.

Attachments

1. Revised goals, policies, and programs
2. Revised data tables
3. Redlined Housing Element (excludes appendices)
4. HCD letter and responsive edits

Exhibits

- A. Addendum to the 2035 General Plan Environmental Impact Report (EIR)
- B. 2021 Housing Element

Note to Applicant and/or Developer: Please contact the Planning Division staff at (916) 774-5276 prior to the Commission meeting if you have any questions on any of the recommended conditions for your project. If you challenge the decision of the Commission in court, you may be limited to raising only those issues which you or someone else raised at the public hearing held for this project, or in written correspondence delivered to the Planning Manager at, or prior to, the public hearing.