

ITEM 6.4: RESOLUTION – CITYWIDE – HOUSING ELEMENT IMPLEMENTATION – LAND USE POLICY – PL22-0037

REQUEST

The request is a policy entitled “Guidelines for Specific Plan Amendments Affecting or Proposing Residential Land Use.” The proposed policy implements General Plan Housing Element Program 14 (Rezone Program for Adequate Sites), the Vacant Sites – Residential Intensification strategy. The policy would require Specific Plan Amendments of a certain size to also increase the density of any High Density Residential land which is within the Specific Plan and is owned or controlled by the applicant/owner. The purpose of the policy is to increase the citywide unit capacity of High Density Residential land, for the purpose of achieving and maintaining the City’s lower income Regional Housing Needs Allocation (RHNA) obligation.

Applicant/Owner – City of Roseville

SUMMARY RECOMMENDATION

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

1. Recommend City Council adopt a Resolution approving the policy document “Guidelines for Specific Plan Amendments Affecting or Proposing Residential Land Use.”

SUMMARY OF OUTSTANDING ISSUES

There are no outstanding issues associated with this request.

BACKGROUND

The City adopted an updated 2021 Housing Element on August 18, 2021, which is effective for the eight-year period of 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 the California Department of Housing and Community Development (HCD). The Sacramento Area Council of Governments (SACOG) is then required to prepare and adopt a methodology for allocating the regional RHNA to each member jurisdiction. Roseville’s RHNA is 12,066 total units, of which 6,178 are required to be low, very low, or extremely low income (collectively called “lower income”).

The 2021 Housing Element included an adequate sites inventory to document the City’s existing housing capacity at each income level. The analysis concluded that the City had a 1,791-unit deficit of lower income housing capacity. The Housing Element was required by law to include a “rezone program” to make up this shortfall in lower income units. Housing Element Program 14 is the Rezone Program for Adequate Sites, and includes four strategies which have the potential to add 2,086 units of lower income capacity. The proposed project implements strategy four, “Vacant Sites – Residential Intensification.” A draft of the proposed policy (see Attachment 1) was included within the 2021 Housing Element. This draft language has been modified to reflect input received during the public outreach process, resulting in the currently proposed policy language included as Exhibit A.

The City’s approach to the Rezone Program is multifaceted, to ensure no one area or sector of the community bears the entire burden of addressing the deficit. For reference, below is a summary of the status of the other three Rezone Program strategies.

- **Strategy 1, Commercial Corridors** – The rezone program anticipated a yield of 400 units from this strategy, but as part of working on the project the potential yield has been increased to 850 units. This is in part due to serious interest from a property owner; this documented interest will provide the evidence the City needs to justify the increased units to HCD.

The City launched this project in the spring of last year, and maintains a project website at www.roseville.ca.us/corridorplans. Draft land use maps, zoning maps, and permitted use changes were published for review in December 2021 and a virtual public outreach meeting was held on February 10, 2022. The outreach meeting included discussion of land use and streetscape improvement concepts. An online design guidelines survey was published on April 25, 2022. Letters to property owners informing them of proposed land use and zone district changes were mailed the first week of May 2022. Staff anticipates publishing drafts of the Specific Plans in July 2022 and bringing the project to City Council for adoption in November 2022.

- **Strategy 2, Infill Intensification** – This strategy has the lowest yield of only 186 units, because the strategy was required to include a realistic capacity analysis for each site identified, and many sites couldn't be counted. The strategy analysis notes a maximum *potential* yield of 832 units, but this presumes enough market pressure to fully redevelop *all* of the identified sites.

The project would amend the land use and zoning designation of properties in the City's Infill area to increase the development potential of those properties. Targeted properties are those which already have a multifamily zoning designation, a Medium Density Residential land use designation, or High Density Residential land use designation. Because these properties are older, they often have conflicting zoning and land use, and also have a land use density limitation reflective of the built conditions (e.g. HDR 13.6) rather than potential or capacity-based conditions. These conditions artificially limit development because a General Plan Amendment would be required to add any units. The City plans to begin this project in 2023, after completion of the Commercial Corridors project.

- **Strategy 3, Opportunity Sites** – These are vacant sites which have the potential to be converted from a non-residential land use to High Density Residential land uses. The rezone program anticipates a yield of 600 units from this strategy. The City has historically been opposed to converting non-residential land to residential uses. However, in light of the need for more lower-income housing, the City has been working with property owners on non-residential conversion projects which commit to providing significant deed-restricted affordable housing. The City has received one application and is working with other property owners on potential applications.

EVALUATION

The proposed policy applies to conversions of non-residential land to residential uses and to residential Specific Plan Amendments of 10 or more acres. An applicant of a Specific Plan Amendment subject to the policy must also include any High Density Residential land within the Specific Plan owned or controlled by the applicant. The density of the High Density Residential property must be increased, according to one of two tiers:

- **HDR-13 to HDR-22:** These properties must be increased to at least HDR-25.
- **HDR-23 to HDR-29:** These properties must be increased by 10% or to at least HDR-30.

The purpose of a tiered approach is to fairly allocate the increases. High Density Residential sites at lower starting densities are not required to add substantially more units than sites with higher starting densities. The tiers were defined based on the requirements of Housing Element law, which establishes

that properties with densities of 25 units per acre automatically qualify as lower income housing sites (this is called the “default density”). Both tiers will result in achievement of the default density: any site at densities of 22 units per acre and below must be increased to 25 units per acre, and a 10% increase in density of a site at 23 units per acre results in a density of 25 units per acre. No site is required by the policy to be increased beyond a density of HDR-30.

This policy, combined with the other three strategies, has been designed to increase the City’s lower income unit capacity and meet our RHNA obligations. Unit yields were conservatively estimated for each strategy. Other strategies could be more effective than anticipated; the Commercial Corridors strategy is already anticipated to yield 450 more units than originally anticipated. To reflect this possibility, the policy language states that the policy does not apply if the City has sufficient lower income unit capacity. This ensures the policy only applies when necessary.

PUBLIC OUTREACH

Significant public outreach was undertaken on the draft policy language as part of adoption of the 2021 Housing Element, including meetings with the Building Industry Association (BIA) and publication of three drafts of the Housing Element (December 2020, May 2021, and July 2021). Development of this final draft of the policy was completed with the input of major landholders who would be affected by the proposed policy, other stakeholders, and the BIA. Coordination activities included phone calls, e-mails, and an in-person meeting with the BIA. Various revisions to the policy were made in response to this feedback, including:

- Density increases pursuant to the policy do not trigger new or increased population-based requirements.
- The policy does not apply if the City has a sufficient supply of lower income unit capacity.
- The policy does not apply to any application submitted prior to adoption of the policy.
- The policy does not apply to High Density Residential land *outside* of the Specific Plan being amended.

ENVIRONMENTAL DETERMINATION

The project is a policy and procedure-making activity, and the California Environmental Quality Act (CEQA) only applies to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (CEQA Guidelines §15061(b)(3)). In addition, this project implements the City’s adopted Housing Element, which considered the environmental impacts of the Rezone Program within an Addendum (considered on August 18, 2021) to the 2035 General Plan Environmental Impact Report (certified on August 5, 2020). The Addendum is available online at www.roseville.ca.us/housingelement.

RECOMMENDATION

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

1. Recommend City Council approve **ADOPT A RESOLUTION APPROVING THE POLICY DOCUMENT “GUIDELINES FOR SPECIFIC PLAN AMENDMENTS AFFECTING OR PROPOSING RESIDENTIAL LAND USE” – CITYWIDE – HOUSING ELEMENT IMPLEMENTATION – LAND USE POLICY – PL22-0037.**

Attachments

1. 2021 Housing Element policy draft

Exhibits

- A. Policy: Guidelines for Specific Plan Amendments Affecting or Proposing Residential Land Use

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.