



ITEM NO.

## STAFF REPORT

DATE: JULY 14, 2021  
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
FROM: BILL SMITH, CITY MANAGER  
PREPARED BY: MARK TOMICH, DIRECTOR  
SUBJECT: JOINT CITY COUNCIL AND PLANNING COMMISSION  
WORKSHOP: 2021-2029 HOUSING ELEMENT UPDATE

### RECOMMENDED ACTION

Staff recommends that the City Council take the following action:

Review the Draft 2021-2029 Housing Element update, receive public comments, and authorize staff to submit the Draft Housing Element to the California Department of Housing and Community Development (HCD) as required by State law. No formal action to approve the Housing Element or any zoning amendments is proposed at this meeting.

### BACKGROUND

On February 18, 2021 the City Council and Planning Commission conducted a joint workshop to initiate the process of updating the Housing Element of the Colton General Plan for the 2021-2029 planning period, as required by State law.

A second Housing Element public workshop was conducted by the City Council and Planning Commission on May 26<sup>th</sup>. At that workshop, staff presented preliminary analysis indicating that the City does not currently have sufficient sites with appropriate zoning to fully accommodate the RHNA allocation of 5,434 new housing units for the 2021-2029 planning period. Staff described policy options for addressing the shortfall and solicited comments from Councilmembers and Planning Commissioners regarding appropriate strategies for complying with State housing requirements.

Since the May 26<sup>th</sup> workshop, a draft Housing Element has been prepared and is posted for public review on the City's website (<https://www.ci.colton.ca.us/992/Housing-Element-Update>). The purpose of tonight's meeting is to allow the City Council, Planning Commission and

interested community stakeholders to review the draft Housing Element and provide comments to staff. After this meeting, staff will incorporate appropriate revisions to the draft Housing Element, which must then be submitted to HCD for review. Additional public meetings will be scheduled by the Planning Commission and City Council prior to final adoption of the Housing Element.

## ISSUES/ANALYSIS

Background materials regarding the Housing Element update is provided in the staff reports and presentations for the February 18<sup>th</sup> and May 26<sup>th</sup> meetings, which are available for review on the City website at <https://www.ci.colton.ca.us/992/Housing-Element-Update>. The following is a brief summary of major components of the Draft Housing Element.

**Housing Element Content.** The Housing Element establishes City policies and programs intended to address the housing needs of current and future Colton residents. The Draft Housing Element includes the following sections:

- **Executive Summary** - summarizing key Housing Element issues
- **Introduction** - providing an overview of the Housing Element
- **Housing Resources** – describing the land, administrative and financial resources available to address housing needs
- **Housing Plan** – presenting the City’s goals, policies, programs and objectives for the 2021-2029 planning period
- **Appendix A: Housing Profile** analyzing the City’s demographic characteristics and housing needs
- **Appendix B: Constraints** describing potential governmental and non-governmental constraints to meeting the City's housing needs
- **Appendix C: Evaluation of the 2013-2021 Housing Element** programs and accomplishments
- **Appendix D: Sites Inventory** providing an inventory of sites that could accommodate the City’s new housing needs; and
- **Appendix E: Public Participation** describing opportunities for stakeholders to participate in the preparation of the Housing Element

Generally, the most significant issues to be addressed in the Housing Element are: 1) whether City plans and regulations comply with State laws regarding housing for persons with special needs; and 2) how the City will accommodate its share of regional housing needs assigned through the Regional Housing Needs Assessment (“RHNA”) process.

**Housing for Persons with Special Needs.** State law establishes specific requirements related to City regulation of housing for persons with special needs, including the homeless and persons with disabilities. The Constraints section of the Housing Element contains an analysis of City plans and regulations for a variety of housing types. The analysis concluded that while current City regulations are consistent with most State laws regarding special needs housing, some recently adopted laws will require amendments to the Municipal Code in order to ensure consistency with State law. The Housing Plan includes the following programs to ensure compliance with State requirements:

- **Program 12. Zoning Regulations and Initiatives for Extremely Low-Income and Special Needs Housing.** The Zoning Code establishes standards and procedures for these types of housing targeted for persons who are homeless or at risk of becoming homeless. This program includes a commitment to process a Development Code amendment in conformance with recent changes to State law. These changes include allowing supportive housing meeting specified criteria in zones where multi-family and mixed uses are permitted, and allowing low barrier navigation centers meeting specified standards in areas zoned for mixed use and in non-residential zones permitting multi-family uses. Low barrier navigation centers are defined as “Housing first, low-barrier, service-enriched shelters focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.”

**Regional Housing Needs Assessment.** The Regional Housing Needs Assessment (“RHNA”) is the process established in State law by which future housing needs are determined for each city. On March 4, 2021 SCAG adopted the final RHNA Plan, which assigns Colton the following housing needs.

**Table 4. 6<sup>th</sup> RHNA by Income Category: Colton**

Very Low	Low	Moderate	Above Moderate	Total
1,318	668	906	2,542	5,434

Source: SCAG, 3/4/2021

The RHNA allocation identifies the amount of additional housing a jurisdiction would need in order to have enough housing at all price levels to fully accommodate its assigned share of the region’s housing need during the 8-year planning period. The RHNA is a *planning requirement* based upon housing need, *not a construction quota or mandate*. Jurisdictions are not required to build housing or issue permits to achieve their RHNA allocations, but some provisions of State law establish specific requirements when housing production falls short of RHNA allocations. One such requirement is streamlined review and approval of housing development applications

that meet specific standards.<sup>1</sup> Other than requirements for streamlined permit processing, there are currently no legal or financial penalties imposed on cities for failing to achieve their RHNA allocations so long as a Housing Element has been adopted in compliance with State law.

The Housing Element is required to provide an evaluation of potential capacity for additional housing based on land use patterns, development regulations, other development constraints (such as infrastructure availability and environmental conditions) and real estate market trends. The analysis must be prepared at a parcel-specific level of detail and identify properties (or “sites”) where additional housing could be built consistent with City regulations. This evaluation is referred to as the “sites analysis” and State law requires the analysis to demonstrate that the city has adequate sites with appropriate zoning to fully accommodate additional housing development commensurate with its RHNA allocation in each income category. If the sites analysis does not demonstrate that adequate capacity exists to fully accommodate the RHNA, the Housing Element must describe what steps will be taken to increase capacity commensurate with the RHNA – typically through amendments to land use and zoning regulations that could facilitate additional housing development. Appendix D of the Housing Element includes a parcel-level analysis of sites that could accommodate the City’s RHNA allocation.

As shown in Appendix D, Table H-36, current City land use plans and zoning regulations provide adequate capacity to accommodate the RHNA allocation in the moderate and above-moderate income categories; however, there is a shortfall of potential sites that allow sufficient density to accommodate housing in the very-low- and low-income categories. State law establishes a density of 30 units/acre that is assumed to be appropriate to facilitate development of lower-income housing. Staff is working with our Housing Element consultant to identify additional sites and appropriate densities to accommodate the estimated shortfall of 1,570 lower income units.

To address this shortfall, the Housing Element identifies candidate sites to be considered for rezoning (Appendix D, Table H-40) based upon comments at the May 26<sup>th</sup> meeting, and Program 9 in the Housing Plan includes a commitment to rezone a sufficient number of parcels to provide additional residential development capacity to fully accommodate the City’s RHNA allocation. Such amendments may include allowing higher densities on residentially zoned properties or allowing housing on properties where residential use is not allowed under current regulations. It is important to note that neither cities nor property owners are required to develop low-income housing on the sites identified in the Housing Element, or to provide funding for housing development. In addition, adoption of the Housing Element would not change the zoning on any property. After final adoption of the Housing Element, the City is allowed 3 years to conduct a more detailed review of the candidate parcels listed in Appendix D, including CEQA review and additional public hearings, before any final zoning changes are approved.

## **FISCAL IMPACTS**

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<sup>1</sup> California Government Code Sec. 65913.4 (SB 35 of 2017)

Implementation of the programs contained in the Housing Element as well as periodic monitoring and reporting will require ongoing actions by City staff, which will be funded through the annual budget process and by State grant funds.

### **ALTERNATIVES**

Provide alternative direction to staff.

### **ATTACHMENT**

1. Colton 2021 Housing Element\_2021-07-05\_draft