



ITEM NO. 2

## STAFF REPORT

DATE: JANUARY 4, 2022  
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
FROM: BILL SMITH, CITY MANAGER  
PREPARED BY: MARK TOMICH, DIRECTOR  
SUBJECT: TIME AND PLACE FIXED TO CONSIDER A PUBLIC HEARING TO APPROVE AND ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON, APPROVING GENERAL PLAN AMENDMENT FOR 2021 – 2029 HOUSING ELEMENT UPDATE. (FILE INDEX NO. DAP-001-720), RESOLUTION NO. R-127-21.

### RECOMMENDED ACTION

Staff recommends that the City Council take the following action:

**A RESOLUTION OF THE CITY COUNCIL APPROVING GENERAL PLAN AMENDMENT FOR 2021 – 2029 HOUSING ELEMENT UPDATE. (FILE INDEX NO. DAP-001-720)**

### BACKGROUND

All cities within the Southern California Association of Governments (SCAG) region are required by State law to update the Housing Elements of their General Plans for the 2021-2029 planning period. On February 18, 2021, the City formally initiated the public review process for the Housing Element update with a public workshop to solicit comments from Colton stakeholders on housing issues. Subsequently, on May 26, 2021 a joint City Council-Planning Commission study session was held to review Housing Element requirements and issues. The City then completed a draft Housing Element and on July 14, 2021 a second joint City Council-Planning Commission study session was held to review the draft Housing Element and receive comments. Staff reports and materials for previous meetings are available on the City's Housing Element web page at: <https://www.ci.colton.ca.us/992/Housing-Element-Update>.

The draft Housing Element was then submitted to the California Department of Housing and Community Development (“HCD”) for review as required by State law. On October 4, 2021, HCD issued a review letter (Attachment 1) finding that the draft element addressed many statutory requirements; however, revisions were necessary to comply with State Housing Element Law. Attachment 2 includes a table summarizing staff’s responses to HCD’s October 4, 2021 letter.

In early October 2021, City staff prepared a revised draft Housing Element addressing HCD’s comments for review by the Planning Commission and community stakeholders. Staff recommended that the Commission consider HCD’s comments, staff’s proposed revisions to the draft Housing Element and adopt a Resolution recommending approval of the revised draft Housing Element.

On October 26, 2021, the Planning Commission approved by a 6-0-1 vote Resolution No. R-33-21, recommending City Council approval of General Plan Amendment (2021-2029 Housing Element Update) – DAP-001-720. (See Attachment 3)

As discussed below, State law requires the draft Housing Element to include several programs calling for amendments to zoning designations and other provisions of the Zoning Code related to housing. Those amendments will be subject to a subsequent review process including public hearings held by the Planning Commission and City Council. Adoption of the Housing Element would not directly change any City zoning or land use regulations.

## **ANALYSIS**

**Housing Element Content.** The Housing Element establishes City policies and programs intended to address the housing needs of current and future Colton residents. The element has been comprehensively updated to reflect recent changes in State laws, current housing conditions and other circumstances. The Draft Housing Element follows the format of the current Housing Element and 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

The most significant issues 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 for the next 8 years as determined 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. Appendix B of the Housing Element (Constraints) 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 laws regarding special needs housing, some recently adopted laws will require amendments to the Zoning Code in order to ensure consistency with State law. The Housing Plan includes the following program to ensure compliance with recent changes to State law:

- **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 extremely-low-income households, persons with disabilities, or those who are homeless or at risk of becoming homeless. This program includes a commitment to process a Zoning 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, revising the parking standards for emergency shelters, 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 center* is 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 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.

**2021-2029 RHNA: City of Colton**

Very	Low	Moderate	Above	Total
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Low			Moderate	
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 the Housing Element must provide an evaluation of potential capacity for additional housing based on land use designations, 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 to facilitate additional housing development. Appendix D of the Housing Element includes a parcel-level analysis of sites where additional housing could be built.

The sites analysis which is summarized in Table H-36 of the Housing Element and shown below, shows that current City land use plans and zoning regulations do not provide adequate capacity to fully accommodate the RHNA allocation in all income categories; therefore, the rezoning is necessary to create additional housing opportunities. State law establishes a density of 30 units/acre that must be allowed to facilitate development of lower-income housing.

**Table H-36  
 Comparison of Sites Inventory and RHNA**

	Lower	Moderate	Above Moderate
Approved Projects	-	140	233
Vacant Sites	43	424	1,692
Underutilized Sites	153	50	-
ADUs	51	31	6
<b>Total Capacity</b>	<b>247</b>	<b>652</b>	<b>1,934</b>
RHNA (2021-2029)	1,986	906	2,542
<b>Adequate Sites (shortfall)</b>	<b>(1,739)</b>	<b>(254)</b>	<b>(608)</b>

To address this shortfall, the Housing Element identifies candidate sites to be considered for rezoning (Appendix D, Table H-40) 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 affordable housing on the sites identified in the Housing Element, or to provide funding for housing development. Zoning regulations establish opportunities for development, not a requirement to build housing. In addition, adoption of the Housing Element would not change the zoning on any property. Most of the very low/low income shortfall will be addressed through rezoning of vacant Industrial Park properties along Fairway Drive (up to 1,013 units) and within the Hub City Center Specific Plan (approximately 250 units with introduction of residential mixed use). After final adoption of the Housing Element, a more detailed review of the candidate parcels, including CEQA review and additional public hearings, will be conducted before any final zoning changes are approved.

#### **PUBLIC PARTICIPATION:**

As noted in the Background section above, the City has provided extensive opportunities for public participation during the Housing Element update process. This City Council hearing provides additional opportunity for residents, property owners, developers and other stakeholders to provide comments regarding the draft Housing Element prior to its adoption. In addition to the official public hearing notice, a courtesy notice of this meeting was mailed on December 16, 2021 to the interested persons and organizations listed in Appendix E of the Final Draft Housing Element.

Subsequent to the Planning Commission hearing on November 18, 2021, a real estate representative emailed staff with a request for removal of Assessor's Parcel Number 0163-182-01 from Housing Element Table H-38 (Vacant Sites Inventory) (Attachment 5). The parcel is located in an existing R-3/R-4 Zone and is also included in the City's current Vacant Sites Inventory. The parcel is 3.95 acres in size and has estimated capacity of 70 housing units based on current zoning. The proposal to remove the site is to allow an industrial business park project to include small office with rear storage/warehouse/manufacturing space. The design would be similar to other industrial park projects located along South Rancho Avenue. The applicant's email indicates that the current location of the High Density Residential Zone is not conducive next to busy industrial thoroughfare and directly adjacent to a BNSF Rail line and future intermodal Hub. If the City Council considers removal of this site, the applicant would propose rezoning to either M-1 (Light Industrial) or B-P (Business Park) Zone. As noted in Table H-36 above, there is currently a shortfall of 2,601 potential housing units compared to the RHNA allocation. If parcel number 0163-182-01 is removed from the inventory, the shortfall would be increased to 2,671 units. As shown in Housing Element Table H-40 (Candidate Sites for Rezoning), the candidate sites for rezoning have a total estimated potential for 3,031 additional units if all sites were rezoned. Therefore, removal of Parcel Number 0163-182-01 would not

preclude the City from achieving the RHNA requirement if all parcels are rezoned successfully. Attachment 6 includes Table H-40 (Candidate Sites for Rezoning).

The proposed Housing Element sites inventory also reflects direction provided to staff on May 26, 2021 at the Joint Colton City Council/Planning Commission meeting, to remove the following four areas from the inventory: 1) Giant RV property along East Santo Antonio Drive, 2) 2971 S. La Cadena Drive Property and 3 & 4) properties along 5<sup>th</sup> Street and Georgia Street related to Emerald Village II and III. All of these sites are in process for future development projects.

#### **HCD REVIEW:**

As required by State law, the draft Housing Element was submitted to HCD for review, and on October 4, 2021 HCD issued a review letter finding that the draft element addressed many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law.

To address HCD's comments, City staff prepared a revised draft Housing Element, which was reviewed by the Planning Commission on October 26<sup>th</sup>. Exhibit A to the draft City Council Resolution (Attachment 7) provides a summary of revisions to the Housing Element made in response to HCD's comments. Attachment 8 shows proposed revisions to the Housing Element in ~~strikeout~~/underline notation. The Planning Commission recommendation included the revisions shown in the revised draft Housing Element.

Following adoption by the City Council the Housing Element must be submitted again for HCD review.

#### **ENVIRONMENTAL REVIEW:**

Adoption of the Housing Element update would not approve any development project, zoning amendment, or any other physical change to the environment; therefore, it is covered by the "common sense" exemption (CEQA Guidelines Sec. 15061(b)(3)) which provides that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Subsequent to adoption of the Housing Element, amendments to the Zoning Code will be necessary in order to implement Housing Element programs, and appropriate CEQA analysis will be prepared in connection with those amendments.

#### **FISCAL IMPACTS**

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 by the General Fund through the annual budget review and approval process.

## **ALTERNATIVES**

Provide alternative direction to staff.

## **ATTACHMENT**

1. Attachment 1\_HCD Comments Letter\_10-04-2021
2. Attachment 2\_Responses to Oct 4 HCD Comments Table
3. Attachment 3\_PC Reso No. R-33-21\_DAP-001-720
4. Attachment 4\_Email\_Debbie Hanna\_S. Rancho Property\_11-18-2021
5. Attachment 5\_Appendix 38\_Vacant Sites Inventory
6. Attachment 6\_Appendix 40\_Candidate Sites for Rezoning
7. Attachment 7\_CC Reso\_R-127-21 Housing Element-final draft
8. Colton 2021 Housing Element\_2022-01-04c\_revised draft tracked-CC