



# CITY COUNCIL STAFF REPORT



**September 13, 2022**

## **ITEM TITLE**

General Plan Update: Approve Amendments to the Housing Element Update of the General Plan for the 2021-2029 Planning Period

**Report Number:** 22-0242

**Location:** No specific geographic location

**Department:** Development Services

**Environmental Notice:** The Project was adequately covered in previously adopted Negative Declaration, IS 20-0004 for the 2021 Housing Element Update of the General Plan for the 2021-2029 Planning Period.

## **Recommended Action**

Conduct a public hearing and adopt a resolution approving the amendments to the Housing Element Update of the General Plan for the 2021-2029 planning period.

## **SUMMARY**

In accordance with California Government Code Section 65588, the City of Chula Vista prepared an update for the sixth Housing Element cycle covering the period from April 2021 through April 2029. The Housing Element update was approved by Council on July 13, 2021 and submitted to the State of California Department of Housing and Community Development (HCD) for its review shortly thereafter. On November 4, 2021, HCD notified the city that additional revisions were necessary to comply with State Housing Element Law. The requested revisions to the Housing Element pertained to Affirmatively Furthering Fair Housing and clarifications to the City's Sites Inventory. With City Council approval of these updates, staff will be re-submitting the updated Housing Element to HCD for certification.

## **ENVIRONMENTAL REVIEW**

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project was adequately covered in previously adopted Negative Declaration, IS 20-0004 for the 2021 Housing Element Update of the General Plan for the 2021-2029 Planning Period. Therefore, no further environmental review is required.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not applicable.

## DISCUSSION

On November 4, 2021, City staff received a letter from HCD requesting revisions in two specific areas of the City's update to its Housing Element most of which are found within Appendix E – Affirmatively Furthering Fair Housing and Appendix H – Site Inventory. Below is a summary of HCD comments along with a response detailing how City staff has addressed the issues.

### **HCD Comment**

*1. Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

**Racial/Ethnic Areas of Concentration of Poverty (RECAP):** The element identified an area considered a RECAP and should include specific analysis such as trends, past and current efforts, including investment and their effectiveness, local data and knowledge, other relevant factors (as noted below), particularly relative to inequities, resources, and strategies to address any issues related to quality of life. The analysis should also consider any overlapping fair housing issues with other components of the assessment of fair housing (e.g., access to opportunity and disproportionate housing needs, including displacement).

**Local Data and Knowledge:** The element should incorporate local data and knowledge into the assessment of fair housing. The element may utilize outreach from the recent Analysis of Impediments to Fair Housing Choice. Local data and knowledge should include sources not captured in regional, state, or federal data. Examples include input from neighborhoods such as the identified RECAP, knowledge from local planners and city administrators and city records and reports.

**Other Relevant Factors:** The element must still include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use, zoning and investment practices such as differences between eastern and western Chula Vista, presence of redlining, restrictive covenants, neighborhood investment or disinvestment, federal investment such as transportation infrastructure, demographic trends or any other information that supplements the reported data and assists in a complete analysis.

**Contributing Factors:** Upon a full analysis of the affirmatively furthering fair housing (AFFH) section, the element should re-evaluate contributing factors to fair housing issues. In addition, the element lists several contributing factors, but it should also prioritize those contributing factors.

**Goals and Actions:** The element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

### ***City Response:***

In response to comment #1, staff has updated Appendix E, as follows:

- Section B - Historical context related to zoning practices and development has been added. This section highlights planning practices and the City of Chula Vista's efforts to create a diverse and balanced housing stock.
- Figures 1-6 and 1-7 – Figures have been added (public housing and mobilehome sites) to further show concentration of Low- and Moderate-Income households in the western portion of Chula Vista.
- Section B.3 and Figure 1-8(B) - More detailed analysis of the RECAP census tract in western Chula Vista is provided, including updates to Section B.3 and Figure 1-8(B) that adds to highlight the existing land uses within the RECAP and provides an overview of investment and further strategies to provide an equitable quality of life and expand resources within the area.
- Section D – Due to HCD's comment regarding the site inventory, updates are provided to all tables, figures and impacted text references within Section D.
- Figures 1-28 through 1-32 – New analysis has been added including CalEnviroScreen, Renter Cost Burden and a summary of Regional Housing Needs Assessment (RHNA) sites to elaborate on the City's strategy to provide a mix of housing options and further fair housing.
- Table 1-23 (previously 1-18) - Incorporates the specific goals related to the RECAP census tract. It should be further noted that the City approved a contract with CSA San Diego in April 2022 to expand their scope of fair housing services to assist in the implementation of goals set forth.
- Various – Updated table and figure numbering.

### **HCD Comment**

*2. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

*Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning... (Gov. Code, § 65583, subd. (c)(1).)*

**Realistic Capacity:** While the element includes more information on recently built densities, it generally does not address realistic capacity assumptions regarding sites with zoning that allow 100% nonresidential uses as described in the prior review.

**Nonvacant Site Analysis:** While the element now describes factors utilized in identifying nonvacant sites, it generally does not include analysis to demonstrate the potential for additional development. Please see HCD's April 26, 2021, review.

**Programs:** Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

### ***City Response:***

#### Realistic Capacity:

Staff has responded to this comment by adding the following sentence “While it is possible for projects to be 100 percent commercial in sites covered by the Urban Core Specific Plan, the City has never had one of these built.” in Appendix B (page AB-41).

#### Nonvacant Site Analysis:

Staff has responded to this comment by revising the Site Inventory (Appendix H), in particular as it applies to the nonvacant sites that only occur in western Chula Vista. Each of the identified nonvacant sites were analyzed against all four of the criteria outlined in Appendix C (Housing Resources):

- Estimated land value is greater than improvement value; and
- Current structure on property was more than 30 years old; and
- Redevelopment can at least double the number of units existing on site; and
- Parcel has similar characteristics (such as parcel size, types of units and potential yield) as parcels where projects have been recently developed.

By applying all of these qualifications, the Site Inventory was reduced from approximately 340 nonvacant sites to approximately 180 nonvacant sites.

Staff updated Table C-3 (Recent Development and Approvals in Western Chula Vista) which shows that recent developments are continuing to become denser and in some cases exceed the base densities permitted by the zone, by utilizing various state laws that allow this increased density. Using this data as a reference and based on typical development of similar parcels in western Chula Vista, the estimated potential units for each parcel has been reduced by 50% to create a healthy buffer and conservative capacity estimate. Further, parcels of sufficient size and densities to qualify as Lower Income units were split between Lower (60%), Moderate Income (20%) and Above Moderate Income (20%) rather than counting them as 100 percent Lower Income. The City was also asked to identify ratios that identified the increase in units for each of these parcels to ensure that those ratios were greater than 1:2. Those ratios can be seen in Column Y of the Site Inventory.

These refinements to the Site Inventory resulted in the identification of 4,829 Lower-Income, 3,169 Moderate-Income and 5,084 Above Moderate-Income units, for a total capacity within the City of 13,802 units. The City’s RHNA allocation is 11,105 units for this planning period from 2021-2029.

#### Programs:

Additional programs were not necessary as the City was able to identify adequate sites to encourage a variety of housing types.

Once these Amendments to the Housing Element Update have been adopted by the City Council, staff will immediately transmit the Housing Elements to HCD for review and certification.

## DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, *et seq.*).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

## CURRENT-YEAR FISCAL IMPACT

There is no current year fiscal impact to the General Fund or Development Services Fund as a result of this action. Costs associated with the preparation of the Housing Element Update and the associated environmental documents are incorporated into the Development Services Department budget and may be reimbursed with funding received from the 2020 Local Early Action Planning (LEAP) Grant Program. Resulting process improvements that accelerate housing production and activities to facilitate compliance in implementing the sixth cycle RHNA may be reimbursed from the LEAP Grant Program.

## ONGOING FISCAL IMPACT

Implementation of the policies and programs outlined within the Housing Element Update may require additional resources within the Development Services Department. As each of the policies and programs are developed and implemented, staff will complete a more thorough analysis of staffing and resource needs and the fiscal impact. The ongoing fiscal impact is uncertain at this time and will depend on the type of housing development that results from the Housing Element Update.

## ATTACHMENTS

1. Draft 2022 Housing Element Update and Appendices

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*Laura C. Black, AICP, Interim Director of Development Services*