



Legislation Text

File #: 16-292, **Version:** 1

Report Prepared by: Julie Nelson, Associate Planner

SUBJECT: General Plan Amendment #16-03 - Adoption of Revised Housing Element

REPORT IN BRIEF

This General Plan Amendment involves the review and adoption of the Revised Housing Element. If adopted, the Housing Element would be forwarded to the California Department of Housing and Community Development (HCD) for final review.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution No. 2016-34**, a Resolution of the City Council of the City of Merced, California Adopting a Negative Declaration and Amending the Housing Element of the General Plan, with any required changes per HCD.

ALTERNATIVES

1. Approve, as recommended by the Planning Commission and staff; or,
2. Approve, subject to modifications as conditions by Council; or,
3. Deny; or,
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Continue item to a future Council meeting (date and time to be specified in motion).

AUTHORITY

California Government Code Section 65300 requires all cities and counties to adopt and revise as necessary a General Plan. California Government Code Section 65580 through 65589.8 outline what needs to be included in the General Plan Housing Elements and requires that the Housing Element be submitted to the Department of Housing and Community Development (HCD) for review.

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

History and Past Actions

The City's current Housing Element, one of the seven required elements of the General Plan, was adopted in 2009, and was incorporated in the *Merced Vision 2030 General Plan* as Chapter 9. The Housing Element sets forth policies and programs for the provision of affordable housing throughout the community. Previously, Housing Elements were required to be updated every 5 years, but the schedule was recently changed to require updates every 8 years. The City's Housing Element was scheduled to be adopted by March 31, 2016. However, there is a 120-day grace period which extends the date for adoption to July 31, 2016.

In late 2015, the City formed a Housing Element Task Force made up of citizens and representatives of various housing interests to help develop the document. This task force reviewed the existing Housing Element policies and determined if they had been successful or not and whether or not the policy should remain in place, be deleted, or modified. A summary of the Task Force review is found in Section 9.2 of the Draft Housing Element (Attachment 1) beginning on page 9-15. A roster of the members of the Housing Element Task Force is provided at Attachment 2.

The Draft Housing Element was submitted to HCD on May 17, 2016, for review. Staff received verbal comments from HCD on June 30, 2016. The table provided at Attachment 3 identifies each comment from HCD and the City's response to each comment. The Draft Housing Element will be updated with these responses prior to being submitted to HCD for final review. If the Housing Element is adopted by City Council, the final document would subsequently be submitted to HCD for final review.

On May 18, 2016, the Planning Commission reviewed the Draft Housing Element and held a duly noticed public hearing regarding the document. The Planning Commission voted (7 Ayes, 0 Noes) to recommend approval of the Draft Housing Element to the City Council. A copy of the Planning Commission Resolution recommending approval is available at Attachment 4 and an excerpt from the Planning Commission minutes is available at Attachment 5.

Description

State Housing Element Law (California Government Code Sections 65580 through 65589.8) is extremely complex with many specific requirements. A Summary of those requirements can be seen at Attachment 6.

The Draft Housing Element (Attachment 1) is organized as follows:

- Section ES: Executive Summary

- Section 9.1: Introduction and Overview (including state requirements, relationship to other General Plan Elements, etc.)

- Section 9.2: Evaluation of the 2009 Housing Element and its Effectiveness

- Section 9.3: Population and Housing Data

- Section 9.4: Land for Housing

- Section 9.5: Constraints to Housing

- Section 9.6: Goals, Policies, and Programs (2015)

- Section 9.7: Public Participation

- Appendices: A - Vacant Lot Inventory

- B - Merced City and County 2015 Continuum of Care Plan

- C - Environmental Documentation

The primary focus of the Housing Element is the goals, policies, and programs as outlined in Section 9.6 of the attached Draft. The City of Merced's goals from the previous Housing element remain intact as follows:

- 1) New Affordable Housing
- 2) Housing Conservation and Rehabilitation
- 3) Housing Affordability
- 4) City Coordination
- 5) Quantified Objectives
- 6) Provide Equal Opportunity Housing

The majority of Action Programs also remain consistent with the previously adopted Housing Element. However, a few were modified or omitted, and a few new programs were added. Some of the new programs and modifications to existing programs are as follows:

Modified programs:

<u>Action Program 1.1.g</u>	Work with UC Merced to Develop a Student Housing Plan This program was modified to make it a priority for City staff to work with the UC in a joint effort to address student housing needs as well as the impacts student housing has on existing neighborhoods.
<u>Action Program 1.3.a</u>	Participate in Joint Development Agreements The number of units to be assisted through Joint Development Agreements was reduced from 100 annually to 50 annually.
<u>Action Program 1.4.a</u>	One-Stop Permit Center Fast-Tracked Processing Modified to add expedited review for housing for veterans.
<u>Action Program 2.1.a</u>	Continue to Housing Rehabilitation Loan Program Due to changes in the Housing Division Program, this program has been modified to reflect the Housing Division's current grant program rather than the previous loan program. In addition, the program was modified to reflect the out-sourcing of rehabilitation and new construction projects to Habitat for Humanity of Stanislaus County.
<u>Action Program 6.1.a</u>	Use CDBG funds for fair housing enforcement, education, and technical assistance activities. The Program was modified to eliminate a specific fair housing provider. However, the program maintains the requirement to contract with an outside agency for fair housing monitoring as required by HUD regulations for CDBG funding.

New Programs:

<u>Action Program 1.2.c</u>	Conduct a study to identify the needs of disadvantaged communities per Senate Bill (SB) 244.
<u>Action Program 1.2.d</u>	Pursue funding strategies to assist disadvantaged communities.

Eliminated Programs:

Action Program 1.7.f

Consider amending the Zoning Ordinance to allow a reduction in parking requirements for housing for persons with disabilities.

This policy would no longer be needed once the revised Zoning Ordinance is adopted. The revised Zoning Ordinance contains a provision to allow the Director of Development Services to reduce the number of required parking spaces based on need.

Action Program 2.1.b

Consider Establishment of a Historic District

This program is no longer needed due to a provision in the Draft Zoning Ordinance that would create a Downtown District which would protect the historic value of the City's core neighborhoods.

Action Program 3.1.d

Establishment of a Community (Housing) Land Trust

This program was determined to be infeasible given the limited funding available and the economic down turn.

Regional Housing Needs

On June 18, 2016, the Merced County Association of Governments (MCAG) adopted the Regional Housing Needs Assessment (RHNA) for Merced County (Attachment 7) as required by State law. The determined existing and projected regional housing needs or "share" for each jurisdiction in Merced County for the period of January 1, 2014, through December 31, 2023. The RHNA calculations are based on the statewide and regional needs as determined by the Housing and Community Development Department (HCD) for the State of California. Each jurisdiction is tasked with determining how it would address the housing need through the process of updating its Housing Element. The City of Merced's Regional Housing Need for the period of January 1, 2014, through December 31, 2023, is 5,537 housing units.

It is important to note that the resulting numbers do not imply that each jurisdiction must produce the identified amount of very low-, low-, moderate-, and above moderate-income housing units.

However, each jurisdiction is required to demonstrate that it has an adequate number of available sites for single-family and multi-family housing to accommodate its share of the Regional Housing Needs within its General Plan and to identify strategies for promoting additional housing opportunities for all income levels. The City's Draft Housing Element addresses this requirement and it has been determined that Merced has adequate sites to accommodate its share of the regional housing needs.

State law requires a Housing Element to include an inventory of available land suitable for residential development be included in the Housing Element. The available sites inventory must identify sites that can be developed for housing within the planning period. The City's vacant sites inventory can be found at Appendix A of the Housing Element. Table 9.4.1 on page 9-123 shows the City's projected affordable housing need as determined by the RHNA. Typically, developers of affordable housing look for parcels that are 10 acres or larger within a zone that allows a minimum of 20 dwelling units per acre to maximize on the economy of scale. Table 9.4.6 on page 9-129 demonstrates that the City has sufficient vacant land to accommodate the City's RHNA requirement.

State Review

Unlike other General Plan elements, the Housing Element must be submitted to the State for review.

At least 60 days prior to adoption, a Housing Element must be submitted to the Department of Housing and Community Development (HCD) for review. HCD then conducts a review and issues written findings determining whether the element “substantially complies” with State housing law. This review can take up to 90 days.

Environmental Clearance

The Planning staff has conducted an environmental review (Initial Study #16-11) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Draft Negative Declaration (i.e., no significant adverse environmental effects have been found) is being recommended (see Appendix C of the Draft Housing Element at Attachment 1).

Recommendation

The Planning Commission and Planning Staff recommend that the City Council adopt Environmental Review #16-11 (Negative Declaration - Appendix C of the Draft Housing Element at Attachment 1) and approve General Plan Amendment #16-01 adopting the Draft Housing Element including the changes requested by HCD found at Attachment 3.

ATTACHMENTS

1. Draft Housing Element
2. Housing Element Task Force Roster
3. Table of Comments from HCD and City Responses
4. Planning Commission Resolution #3069
5. Planning Commission Minutes Excerpt
6. Summary of Housing Element Law
7. Regional Housing Needs Assessment (RHNA)
8. Draft City Council Resolution