

# **Regional Housing Needs Assessment (RHNA) and General Plan Housing Element Update**


Laguna Woods City Council Meeting  
July 21, 2021  
Item 8.1



# Introduction

- ▶ **PREVIOUS MEETING: May 5, 2021 - City Council**
  - ▶ Process Overview
  - ▶ Draft Housing Needs Assessment
- ▶ **PREVIOUS MEETING: May 19, 2021 - City Council**
  - ▶ Housing Sites Inventory
- ▶ **PREVIOUS MEETING: June 2, 2021 - City Council**
  - ▶ Revised Housing Sites Inventory [including draft California Department of Housing and Community Development (“HCD”) form]
- ▶ **CURRENT MEETING: July 21, 2021 - City Council**
  - ▶ Draft Housing Element
  - ▶ Recommendation to Submit for HCD Review

# Introduction



CITY OF LAGUNA WOODS

Regional Housing Needs Assessment (RHNA)

### Frequently Asked Questions

**What is the Regional Housing Needs Assessment (RHNA)?**

The Regional Housing Needs Assessment (RHNA) is a process mandated by the State of California's housing laws to determine existing and future housing needs for each city and unincorporated area. Once housing needs are quantified through the RHNA process, cities and counties are required to take certain land use planning actions to allow for the construction of new housing units to meet those needs.

**Is the RHNA process new?**

No. The RHNA process began in 1969 and has occurred on regular "cycles" since then. From 1969 until the City's incorporation in 1999, the County of Orange was responsible for RHNA compliance and land use planning in Laguna Woods. Beginning in 1999, those responsibilities transferred locally to the City.

**How does the RHNA process determine housing needs?**

The California Department of Housing and Community Development (HCD) is responsible for determining housing needs for each region's "council of governments," which for Laguna Woods is the Southern California Association of Governments (SCAG). The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities.

HCD starts with demographic population information from the California Department of Finance and then applies a formula intended to increase housing supply and further other housing-related objectives established by the California State Legislature (see California Government Code Section 65584).

After receiving HCD's housing needs determination, SCAG uses a methodology to allocate HCD's determination between individual cities and unincorporated areas. For the current 6th Cycle RHNA process (10/2021 - 10/2029), SCAG's methodology considered factors including, but not limited to, anticipated household growth, job and transit accessibility, and social equity (the distribution of housing by income categories).

Current RHNA Process	Housing Needs Determination for the SCAG Region	Housing Needs Allocation for Laguna Woods
For the period 10/2021 - 10/2029 (AKA "6th Cycle")	1,341,827 units	997 units

## What does the RHNA process require of the City?

Once SCAG has identified the City's housing needs allocation, the City is required to zone sufficient land to allow for the construction of new housing units to meet that allocation. Such land must be "suitable for residential development," which state law generally defines as including vacant land, residential land upon which additional housing units could be constructed, and nonresidential land that could be redeveloped to include new housing units (California Government Code Section 65583.2(a)). Such zoning must be "by right," which means that the City is required to allow new housing construction without requiring conditional use permits or other discretionary approvals that would constitute a "project" under the California Environmental Quality Act (CEQA).

## How does the City's General Plan Housing Element relate to the RHNA process?

State law requires that all cities update their general plan housing elements on either a five- or eight-year cycle (California Government Code Section 65588). The City is on an eight-year cycle with its next update due on October 15, 2021. Prior to adopting its updated General Plan Housing Element, the City will be required to demonstrate to HCD that the update adequately plans for the City's housing needs allocation and otherwise complies with state law (California Government Code sections 65583 and 65585).

## Does the City have the ability to zone private property?

Yes. State law requires the City to designate "the proposed general distribution and general location and extent of the uses of the land" within city limits, including both "public and private uses of land" (California Government Code Section 65502(a)). All public and private property in Laguna Woods, with the exception of public streets, is presently zoned and has been since the community was first constructed.

## Does the RHNA process require the City to construct housing?

No. State law is explicit that the City is not required to "expend local revenues for the construction of housing, housing subsidies, or land acquisition" (California Government Code Section 65589(a)(1)).

## Does the RHNA process require property owners to construct housing?

No. While state law requires zoning sufficient to accommodate the City's housing needs allocation, it does not require the use of that property to be limited to the construction of new housing units nor does it require property owners to construct housing or discontinue any existing non-housing uses. If a property owner does not wish to construct housing, zoning that allows such construction only presents an option for the future.

## Who makes the decision to construct housing?

Housing construction requires interested property owners and interested developers. No party is obligated to construct housing or discontinue any existing non-housing uses, regardless of how property is zoned.

## Does the RHNA process allow the City to permit only senior housing?

No. State law specifies that the RHNA process is intended to address the "housing need of persons at all income levels" with goals including "increasing the housing supply and the mix of housing types, tenure, and affordability" (California Government Code Section 65584). While property owners may choose to construct age-restricted housing, state law does not allow the City to place such a restriction on properties for the purpose of accommodating the City's housing needs allocation.

## Does the City receive credit for existing affordable housing units?

No. The RHNA process is focused on future housing needs. For the 6th Cycle RHNA process, credit is only provided for housing units approved, permitted, or built on or after June 30, 2021.

[www.cityoflagunawoods.org/projects](http://www.cityoflagunawoods.org/projects)

# Introduction

- ▶ The Regional Housing Needs Assessment (“RHNA”) and General Plan Housing Element Update are mandated by state law
- ▶ RHNA determines existing and future housing needs for every city and unincorporated area in California (“housing needs allocation”)
  - ▶ Once complete, cities and counties are required to:
    1. Update the General Plan Housing Element to “adequately” plan for the housing needs allocation
    2. Zone sufficient land to allow for the construction of new housing units to meet the housing needs allocation
- ▶ Property owners remain responsible for determining whether to construct housing; existing uses are not required to end

# Housing Needs Allocation

Income Level	Income Limits for One-Person Households*	Number of Units
Very-low income	\$47,100	127 units
Low income	\$75,300	136 units
Moderate income	\$89,650	192 units
Above-moderate income	-	542 units
<b>TOTAL</b>		<b>997 units</b>

\* California Department of Housing and Community Development, State Income Limits for 2021. April 26, 2021.



- ▶ This document remains a **DRAFT**, subject to additional review by both HCD and the public
- ▶ Consists of:
  - ▶ Policy document with programs
  - ▶ Four exhibits
    - A. Housing Needs Assessment
    - B. Constraints Analysis
    - C. Housing Sites Inventory and Analysis
    - D. Public Participation Efforts
- ▶ Only minor changes have been made to the Housing Needs Assessment since April 30, 2021
- ▶ The 17 sites included in the Housing Sites Inventory have not changed since May 28, 2021



# Year 1/2022 Programs (1 of 2)

1. H-4.2.1. - Deliver the housing element to the El Toro Water District

2. H-1.1.1. - Rezone the 17 potential housing sites

- ▶ General Plan Amendment - Land Use Element
- ▶ Zoning Code Amendment
  - ▶ New overlay zoning districts
  - ▶ Minimum density and development standards
- ▶ California Environmental Quality Act (CEQA) Process

*Funding Support: Senate Bill 2 (2017) Planning Grant*

3. H-1.2.1. - Webpage and GIS map for 17 potential housing sites

4. H-1.2.2. - Market study and inclusionary housing amendment to modify minimum deed restrictions for lower-income households

# Year 1/2022 Programs (2 of 2)

- 5. H-1.2.3. - Ordinance creating an expedited and fee-reduced lot consolidation process for certain affordable housing projects
- 6. H-1.2.4. - Ordinance waiving or reducing City building permit fees for certain affordable housing projects
- 7. H-2.2.2. - Ordinance waiving or reducing City building permit fees for certain disability-related home improvements
- 8. H-2.2.3. - Opportunities for financial assistance to support home improvements for persons with special needs
  - ▶ Accessibility Improvement Reimbursement Program
    - ▶ New program included in the Fiscal Years 2021-23 Budget & Work Plan

*Funding Support: State Permanent Local Housing Allocation monies*



# Affirmatively Furthering Fair Housing (AFFH) (1 of 2)

- ▶ Assembly Bill 686 (2018) requires the City to “*administer [...] programs and activities relating to housing and community development in a manner to affirmatively further fair housing...*”
- ▶ Government Code defines “affirmatively furthering fair housing,” in part, as “*taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characterizes*”
- ▶ Guidance for all public entities and for housing elements is provided in a HCD guidance memo dated April 2021
  - ▶ Provides examples of AFFH actions in four categories

# **Affirmatively Furthering Fair Housing (AFFH) (2 of 2)**

- ▶ **Category #1: Housing Mobility Strategies**
  - ▶ Program H-3.1.1
- ▶ **Category #2: New Housing Choices and Affordability in Areas of Opportunity**
  - ▶ Programs H-1.2.2, H-2.2.2, and H-2.2.3
- ▶ **Category #3: Place-based Strategies to Encourage Community Conservation and Revitalization**
  - ▶ Program H-2.3.1
- ▶ **Category #4: Protecting Existing Residents from Displacement**
  - ▶ Programs H-2.1.2, H-3.2.1, H-3.2.2, and H-3.2.3

# Next Steps

- ▶ Public Comments
- ▶ HCD Review Process - 60 days
  - ▶ Includes an opportunity for public comments
- ▶ Native American Tribal Consultation Process
  - ▶ Senate Bill 18 (2004)
  - ▶ Assembly Bill 52 (2014)
- ▶ California Environmental Quality Act (CEQA) Process
- ▶ Final Draft Housing Element
- ▶ Consideration of Adoption - October 2021

# **Public Comments**

## **Councilmember Discussion**

### **Recommendation**

Authorize the City Manager to submit drafts of the updated General Plan Housing Element and Housing Element Sites Inventory Form to the California Department of Housing and Community Development for review, as required by California Government Code Section 65585.

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For more information:

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