

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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August 16, 2021

Alma Robles, Planning Director
City of Norco
2870 Clark Avenue
Norco, CA, 92860

Dear Alma Robles:

RE: Review of the City of Norco's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Norco's (City) draft housing element received for review on June 17, 2021, along with revisions received on August 4, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on July 28, 2021 with you, and Konnie Dobрева and Danielle Thayer, the City's consultants. In addition, HCD received comments on August 11, 2021 from Allen Matkins Leck Gamble Mallory & Nastis LLP on behalf of Frontier Communities pursuant to Government Code section 65585, subdivision (c). Due to receiving Frontier's comments August 11, 2021, HCD was unable to fully examine information and consider all the comments as part of this review. HCD will retain the comments for full consideration in the next review of the housing element.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes revisions needed to comply with State Housing Element Law.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2021 for Southern California Association of Governments (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4) requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf.

Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community->

[development/housing-element/index.shtml#element](#) for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

HCD appreciates the diligent efforts Danielle Thayer, your consultant, provided during the course of our review. We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jamillah Williams, of our staff, at (916) 776-7754.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name "Shannan" written in a larger, more prominent script than the last name "West".

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF NORCO

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing (AFFH) 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))*

Promote AFFH opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)

Disproportionate Housing Needs including Substandard Housing: The element does include data on overcrowded households, cost-burdened households, and homelessness, but has limited data on substandard housing issues. The element also lacks regional data on substandard housing. The element should include complete local and regional data for the disproportionate housing needs people face in the unincorporated City and analyze that data for local and regional trends and patterns. The analysis could include factors contributing to the development of newer homes in the eastern part of the city versus the south side where many of the substandard homes are located. As part of this analysis, the element should also consider and discuss displacement risk. Please refer to pages 39 and 41 of the AFFH guidebook (link: <https://www.hcd.ca.gov/community-development/affh/index.shtml#guidancecv>) for specific factors that should be considered when analyzing disproportionate housing needs and displacement risks.

Site Inventory: The element includes a map of the site inventory and states that the proposed sites to meet lower-income regional housing needs allocation (RHNA) are geographically distributed which results in these sites AFFH (pg. C-47, C-48). However, the accompanying analysis shall also be reflective of housing development at all income-levels and evaluate the sites relative to socio-economic patterns. The site inventory analysis should address how the sites are identified to improve conditions (or if sites exacerbate conditions, how a program can mitigate the impact), whether the sites are

isolated by income group and should be supported by local data and knowledge. The element also referenced Figure 19 on page C-49, but that figure was not found in the element. For more information, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

Goals, Priorities, Metrics, and Milestones: Goals and actions must create meaningful impact to overcome contributing factors to fair housing issues. Actions must also:

- Address significant disparities in housing needs and in access to opportunity.
- Replace segregated living patterns with truly integrated and balanced living patterns.
- Transform racially and ethnically concentrated areas of poverty into areas of opportunity; and
- Foster and maintain compliance with civil rights and fair housing laws.

Currently, the element identifies several programs to address fair housing issues. However, to facilitate meaningful change and address AFFH requirements, the element will need to add or revise/expand programs to demonstrate how it addresses fair housing issues. Furthermore, the element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. For example, Program 5.1 commits to participating in the Fair Housing Council for Riverside County, posting information on the City's website, and creating handouts. However, the program should be expanded to describe why and how this program will address social inequities in the community through listing specific deliverables, objectives, and metrics. Additional programs that could be revised and strengthened include but are not limited to programs 4.8, 4.9, and 5.2.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

Farmworker Housing: The City indicated that farmworker housing is not a need in the community. The element should include more evidence-based analysis to support this assertion beyond space limitations.

3. *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).)*

The City has a RHNA of 454 housing units, of which 230 are for lower-income households. To address this need, the element relies on entitled projects, specific plan, and nonvacant site. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Sites Inventory: The element includes Site 3 and Site 4 which are part of the "Norco Valley Square plan" and states that entitlements for this project is "ongoing." In

addition, while only anticipating a total of 234 units on the site, it recognizes that a project that uses the maximum density of 30 units per acre could result in a capacity much greater than estimate identified in the element (a combined maximum potential of with maximum densities there is a potential for approximately 550 units). However, HCD understands that the project was recently denied at the planning commission in part seemingly because of concerns for size and scale of the project (although within the allowed densities for the site). The denial of this project should be addressed in the element as it relates to the viability of inclusion of these sites at the anticipated allowable capacities.

Realistic Capacity: The element states that the City is assuming 75% of the site is likely to be developed as residential in the mixed-use zone (p.88) but provides no analysis to support this assumption. This analysis should consider performance standards and development trends supporting residential. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

Local Processing and Permit Procedures: While the element provides some details in regards to permit processing, it must describe and analyze the City permit processing and approval procedures by zone and housing type (e.g., multifamily rental housing, mobilehomes, housing for agricultural employees, supportive housing). The analysis must evaluate the processing and permit procedures' impacts as potential constraints on housing supply and affordability. For example, the analysis should consider processing and approval procedures and time for multi-family developments in the High Density Overlay Zone for both market rate and projects with 20 percent affordable, including type of permit, level of review, approval findings and any discretionary approval procedures as well as the metrics used to determine the impact on public convenience and general welfare.

Design Review: The element must describe and analyze the design review guidelines and process, including approval procedures and decision-making criteria, for their impact as potential constraints on housing supply and affordability. For example, the analysis could describe required findings and discuss whether objective standards and

guidelines improve development certainty and mitigate cost impacts. The element must demonstrate this process is not a constraint or it must include a program to address this permitting requirement, as appropriate.

Group Homes of Seven or More: The element currently details that residential care facilities serving six or fewer persons are permitted in all residential zones. However, residential care facilities serving seven or more persons are limited to the same zones with the approval of a conditional use permit. The element should analyze the process as a potential constraint on housing for persons with disabilities and add or modify programs as appropriate to ensure zoning permits group homes objectively with approval certainty.

5. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing. (Gov. Code, § 65583, subd. (a)(6).)*

Requests to Develop Below Site Inventory Density: The element should identify or analyze requests to develop at densities below the density identified in the site inventory. If there are no requests, the element should state that.

6. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

Farmworker Housing: The City indicated that farmworker housing is not a need in the community. The element should include more evidence-based analysis to support this assertion beyond space limitations.

B. Housing Programs

1. *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, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built*

housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.
(Gov. Code, § 65583, subd. (c)(1).)

As noted in Finding A2, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. 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.

The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)

The element must include a program(s) with specific actions and timelines to assist in the development of housing for extremely low-, very low-, low-, and moderate-income households. While Action 2.1 states that the City will meet with local special needs communities to strategize way to remove barriers for housing on an annual basis, it does not commit to implementing those strategies beyond reviewing standards that are constraining and providing modifications on a case-by case basis. In addition, Action 2.4 only commits to consideration of the establishment of a program to subsidize fees for housing affordable to extremely low-income households. These programs should be modified to provide specific actions and commitments the City will take to assist in the development of housing affordable to lower-income and special needs households. This is particularly important because according to the review of previous programs, the only programs the City can point to in helping to address in the need of housing for special needs populations is the very recent establishment of an Accessory Dwelling Unit (ADU) ordinance and its Code Enforcement program. In addition, as stated in HCD's August 5, 2021, letter related to the Norco Valley Housing Project, the City has only permitted 7 units – *less than one percent* – of the 818 units allocated for the 5th cycle (2014-2021) RHNA, despite having proposed housing projects.

2. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.* (Gov. Code, § 65583, subd. (c)(3).)

As noted in Finding(s) A3 and A4, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

Action 4.1 describes the city's plans to implement development standards for the Housing Development Overlay zone (HDOZ) that would grant density bonuses for projects that provide equestrian facilities on parkland/open space. The element should

clarify that density bonuses pursuant to State Density Bonus Law can also be applied to projects to exceed the 30-dwelling unit maximum in the (HDOZ) without the additional equestrian facilities.

3. *Promote AFFH opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of AFFH Based on the outcomes of that analysis, the element must add or modify programs.

4. *Develop a plan that incentivizes and promotes the creation of ADUs that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, “accessory dwelling units” has the same meaning as “accessory dwelling unit” as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)*

Action 2.3 should be amended to include specific commitments (i.e. incentives for homeowners to develop ADUs, preapproved ADU plans for streamlining, education or TA, etc.) to facilitate the development of ADUs for lower and moderate income households and describe how often the ADU ordinance would be updated to maintain consistency with state law.

C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(8).)

While the element includes a general summary of the public participation process (p. 4-6, Appendix B), it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element describes that only one community workshop and one planning commission meeting was held in preparation of the housing element which members of the public and organizations were invited to attend. The availability of single workshop and planning commission meeting does not demonstrate a diligent effort in public participation. The element could describe the efforts to circulate the housing element draft among low- and moderate-income households and organizations that represent them prior to submittal to HCD, surveys, or other efforts to involve such groups and persons in the element throughout the process. Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.