

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

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April 20, 2021

Patty Nevins, Planning Official  
Community Development Department  
City of Moreno Valley  
14177 Frederick St.  
Moreno Valley, CA 92552

Dear Patty Nevins:

**RE: Review of the City of Moreno Valley's 6<sup>th</sup> Cycle (2021-2029) Draft Housing Element**

Thank you for submitting the City of Moreno Valley's (City) draft housing element received for review on February 19, 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 April 15, 2021 with Patty Nevins, Planning Official; Chris Ormsby, Senior Planner; and Andrew Hill, Principal at Dyett & Bhatia.

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 the 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](http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.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 will meet housing element requirements for these and other funding sources.

HCD appreciates the hard work and diligent efforts the general plan team provided during the course of our review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Colin Cross, of our staff, at [colin.cross@hcd.ca.gov](mailto:colin.cross@hcd.ca.gov).

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 MORENO VALLEY

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 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)).*

While the element has some basic information on fair housing enforcement, it generally does not address this requirement. The element, among other things, must include outreach, an assessment of fair housing, identification and prioritization of contributing factors to fair housing issues and goals and actions sufficient to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity. For more information, please contact HCD and visit <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

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).)*

While the element includes some information on the age of the housing stock, it must also estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including non-profit housing developers or organizations. For additional information, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

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 regional housing need allocation (RHNA) of 13,627 housing units, of which 5,830 are for lower-income households. To address this need, the element generally relies on vacant and nonvacant sites. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses as follows:

Regional Housing Need Allocations (RHNA): The element includes RHNA numbers that differ from the allocation adopted by the Southern California Association of Governments (SCAG). The element must include the final adopted RHNA. For more information, see SCAG's website at: <https://scag.ca.gov/rhna>.

Progress in Meeting the RHNA: The element indicates (page 104) 80 units affordable to lower-income households are approved. The City's RHNA may be reduced by the number of new units built after June 30, 2021. However, the element must describe the City's methodology for assigning these units to the various income groups based on actual or anticipated sales price, rent level or other mechanisms ensuring affordability (e.g., deed restrictions).

Realistic Capacity: Many units are accommodated on sites that allow non-residential development, such as the Corridor Mixed Use (COMU) and Center Mixed Use (CEMU) General Plan zoning designations. The element notes "...vacant properties in the middle of COMU corridors were assumed to be entirely residential, while a mix of residential and commercial development was assumed at intersections in the COMU designation...". In addition, the element should discuss whether 100 percent non-residential uses will be allowed in these designations and if so, the likelihood of residential development and non-residential development. This should take the form of analysis of previous residential and non-residential development trends in non-residential zones.

Large Sites: The element identifies several sites greater than 10 acres, including parcels related to the mall site and assuming 759 units affordable to lower-income households. Sites greater than 10 acres are not eligible absent a demonstration that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless other evidence is provided. This is particularly important for the related mall sites since most state funded affordable developments approximately range from 50 to 150 units and the element's assumptions far exceed this range. The analysis could describe a track record of affordable developments at comparable scales, comparable developments in other areas of the region or adjust the affordability assumptions.

Zoning for Lower-Income Households: The element must demonstrate zoning appropriate to accommodate housing for lower-income households. For communities with densities that meet specific standards (allow at least 30 units per acre for Moreno Valley), no analysis is required. Otherwise, the element must include an

analysis based on, including, but not limited to, factors such as market demand, financial feasibility and development experience within identified zones demonstrating how the adopted densities can accommodate housing for lower-income households.

The element appears to rely on densities allowing up to 20 units per acre to accommodate the housing need of lower-income households. This density is far less than the 30 unit per acre standard “deemed appropriate” in statute. To utilize 20 units per acre, the element lists only a few recent projects, some from areas nowhere near Moreno Valley and some that appear to be statistical outliers. While this sample is limited and should be complemented, if utilizing the few remaining listed developments, an average of appropriate densities appears to exceed 25 units per acre. For your information, generally, HCD has not accepted densities of 20 units per acre in areas comparable to Moreno Valley and the current analysis is inadequate. The element should adjust the densities deemed appropriate to accommodate the housing needs of lower-income households. For additional information and sample analysis, see the *Building Blocks* at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

Suitability of Non-Vacant Sites: The element must include an analysis demonstrating the potential for redevelopment of non-vacant sites. The analysis shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city’s or county’s past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. In addition, if the element relies on non-vacant sites for more than 50% of the lower-income RHNA, it must make findings of substantial evidence that the existing use does not constitute an impediment to development, and that the existing use is likely to discontinue.

To address this requirement, the element notes non-vacant sites were selected based on improvement to land value and low floor area ratio (existing square footage compared to the overall site). These factors alone are not adequate to demonstrate the potential for redevelopment in the planning period. First, the element should describe and support (through development trends) the threshold used to determine potential redevelopment. For example, the element should identify what ratio of improvement to land ratio and low floor area ratio was used. Secondly, the element should list the actual value for each site or include a description per site to demonstrate the potential for redevelopment. Third, the element should consider additional factors such as the age of structure, presence of expiring leases, condition of the structure, expressed interest in development. Finally, the element should

include a discussion of recent trends in redevelopment and how the site characteristics of recent redevelopment aligns with identified non-vacant sites in the inventory. HCD will send examples under separate cover.

Availability of Infrastructure: The element must demonstrate sufficient existing or planned total water and sewer capacity to accommodate the regional housing need allocation. While the element includes information on water capacity, it must also address sewer capacity sufficient to accommodate the regional housing need allocation.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. 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](mailto:sitesinventory@hcd.ca.gov) for technical assistance.

Zoning for a Variety of Housing Types (Emergency Shelters): The element describes the zones in which emergency shelters are permitted, with and without a conditional use permit. However, the element must also list and analyze development standards for emergency shelters. For example, parking requirements and other development standards (Finding D8) appear inconsistent with State law and should be addressed as constraints. The element must include programs as appropriate to address any constraints identified because of the analysis.

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. (Gov. Code, § 65583, subd. (a)(5).)*

Land-Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobile homes, transitional housing). The analysis must also evaluate the cumulative impacts of land use controls on the cost and supply of housing, including the ability to achieve maximum densities and cost and supply of housing. In particular, the minimum lot size of one acre for the multifamily zones and the minimum area of 1000 sq. ft. for three-bedroom units appear to be constraints and should be analyzed. The element must include programs as appropriate based on the outcomes of this analysis.



Fees and Exaction: The element must describe all required fees for single family and multifamily housing development, including impact fees, and analyze their impact as potential constraints on housing supply and affordability. For example, the analysis could identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing. The element lists fee categories (page 73) for a typical single family and multifamily development but does not list the actual fee. For example, Table 5-5 lists variance as a category but does not list the actual planning fee. Also, the analysis does not summarize or analyze the total fees for a typical development. For additional information and a sample analysis and tables, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/fees-and-exactions.shtml>.

Local Processing and Permit Procedures: The element mentions multifamily development is subject to a site plan and design review. However, the element should also indicate who (e.g., staff, planning commission) approves multifamily development, list findings of approval and evaluate the approval body and findings for impacts on approval certainty and timing.

On/Off-Site Improvements: The element mentions the City requires on and off-site improvements but should also list and analyze the standards. For example, the element must identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

Codes and Enforcement: The element must describe the building and zoning code enforcement processes and procedures, including any local amendments to the building code, and analyze their impact as potential constraints on housing supply and affordability. The element includes some general discussion but should clearly identify which building code is implemented, list any local amendments, and analyze cost impact. For additional information and a sample analysis, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml>.

Constraints on Housing for Persons with Disabilities: The element explains the reasonable accommodation procedure and lists certain approval findings, including compliance with the Americans with Disabilities Act (ADA) and adaptability requirements for ground-level units. However, certain approval findings in the City's code can act as a constraint. These include findings such as whether the requested accommodation would fundamentally alter the character of the neighborhood and whether the accommodation would increase traffic or reduce parking. The element should contain a program to address these constraints.

Furthermore, community care facilities for seven or more persons are subject to a conditional use permit in all residential zones and all but one mixed-use zone, which constitutes a barrier to housing for persons with disabilities. The element must include a program to address this constraint.

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).)*

The element must address requests to develop housing at densities below those anticipated in the sites inventory and the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any related constraints on housing development and programs should be added as appropriate.

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).)*

The element must quantify and analyze the housing needs of persons with special needs. While the element includes general discussion, it must still include complete information to guide an appropriate analysis. Specifically, the element must identify and analyze (a) disability types for the general population, (b) large households by tenure and (c) include regional data for seasonal and permanent farmworkers (e.g., USDA data).

7. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)*

The element must list and analyze any affordable units in the City that are at risk of converting to non-affordable units during the planning period. If at-risk units are identified, the element must include a program to address the need for preservation of affordability.



## **B. Housing Programs**

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

To address the program requirements of Gov. Code section 65583, subd. (c)(1-6), and to facilitate implementation, several programs should be revised to include more discrete timing, rather than “ongoing”. These include Programs 1D (working with developers), 1G (acquisition/rehabilitation), 2B (utilize funding), 2D (home sharing), 2H (by right permanent supportive housing), 3H (infrastructure), 4A (down payment assistance), 4B (non-profit ownership) and 5A (neighborhood stabilization).

Certain additional programs should be revised as follows:

- Program 1-B should be revised to clarify that the density bonus section of the development code will be updated to comply with State Density Bonus Law.
  - Program 2-B should be revised to add all special-needs categories.
  - Program 2-C should commit to some form of implementation by including a step beyond “explore” (e.g. “amend”)
  - Program 5-E could commit to making use of HCD’s Mobilehome Park Rehabilitation and Resident Ownership Program (MPRRP)
2. *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 A3, the element does not contain a complete sites analysis. 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. In addition:

- *By Right Provisions*: If rezoning is necessary to accommodate a shortfall of adequate sites in the planning period, sites must permit housing by right pursuant to Government Code sections 65583, subdivision (c)(1), and 65583.2, subdivisions (h) and (i).
- *Previously Identified Sites*: If relying on nonvacant (one planning period) or vacant sites (two planning periods) identified in previous planning period(s) to accommodate the housing need of lower-income households, the element must include a program. The program must rezone within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower-income households.
- *Zoning for a Variety of Housing Types*: The element must include programs to allow Low-Barrier Navigation Centers by-right in areas zoned for mixed-use and in non-residential zones that permit multifamily development, pursuant to Government Code section 65660. The element must also commit to amend zoning to permit single homes for six or fewer persons pursuant to Health and Safety Code section 17021.5.

3. *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 programs with proactive and specific efforts to assist in the development of housing for lower-income households, including extremely low-income households and households with special needs, persons experiencing homelessness; farmworkers; persons with disabilities, including developmental; and elderly. Efforts should involve proactive and regular outreach to developers of affordable housing and should utilize incentives and financial and other resources.

4. *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 A4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs to address and remove or mitigate any identified constraints, including minimum lot size and square footage, reasonable accommodation, and residential care for seven or more persons.

5. *Promote and affirmatively further fair housing 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 assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs.

6. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

As noted in Finding A7, the element must list and analyze any affordable units that are at risk of conversion to market rate during the planning period. If at-risk units are identified, the element should include a program to preserve affordability for those units.

7. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units 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. (Gov. Code, § 65583, subd. (c)(7).)*

The element is required to include a program that incentivizes or promotes Accessory Dwelling Unit (ADU) development for very low-, low-, and moderate- income households. This can take the form of flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, pre-approved building plans, fee waivers and more. Other strategies could include developing information packets to market ADU construction, advertising ADU development opportunities at City Hall and other locations or establishing an ADU specialist within the planning department.

In addition, the element indicates the City is not following ADU law and as a result should add a program to update the City's ADU ordinance in order to comply with State law. This includes, but is not limited to, allowing ADUs in multifamily zones and removing the requirement for two covered parking spaces per ADU, which HCD deems a constraint to housing production. For more information, please consult HCD's ADU

Guidebook, published in December 2020, which provides detailed information on new state requirements surrounding ADU development.

**C. Quantified Objectives**

*Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)*

The element must include quantified objectives to establish an estimate of housing units by income category that can be constructed, rehabilitated, and conserved over the planning period. While the element includes these objectives by income group for construction and rehabilitation, it must also include estimates by income group for conservation.

**D. Consistency with General Plan**

*The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)*

The housing element affects a locality's policies for growth and residential land uses. The goals, policies and objectives of an updated housing element may conflict with those of the land-use, circulation, and open space elements as well as zoning and redevelopment plans. The general plan is required to be "internally consistent." As part of the housing element update, the City should review the general plan to ensure internal consistency is maintained. The element should include a description of the mechanisms by which internal consistency will be achieved and maintained.