

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

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August 2, 2021

Jennifer Nakamura, Project Manager
Community Development Department
City of Rancho Cucamonga
10500 Civic Center Drive
Rancho Cucamonga, CA 91730

Dear Jennifer Nakamura:

RE: Review of Rancho Cucamonga's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Rancho Cucamonga's (City) draft housing element received for review on June 3, 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.

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 to 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

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 dedication and hard work of the entire housing element update team during the 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 Gerlinde Bernd, of our staff, at Gerlinde.Bernd@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" and the last name "West" clearly distinguishable.

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF RANCHO CUCAMONGA

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).)*

The element includes a variety of information and analysis related to affirmatively furthering fair housing (AFFH); however, additional information is necessary to address this requirement, as follows:

- *Disproportionate Housing Needs Including Displacement:* While the element includes data and analysis related to overpayment and displacement, it must also address and evaluate local trends and patterns related to overcrowded households.
- *Local Data and Knowledge:* The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers.
- *Other Relevant Factors:* The element should include a discussion of other relevant factors as part of evaluating patterns and trends, policies and practices and other factors that lead to fair housing issues. Other relevant factors should consider information beyond data that identifies and compares concentrations of groups with protected characteristics. Examples of other relevant factors include changes and barriers in zoning and land use rules, presence and history of place-based investment, demographics and outreach and community engagement.
- *Sites Inventory:* The element evaluates the sites inventory relative to some analysis components (e.g., segregation and integration and access to opportunity) but should also address disproportionate housing needs (e.g., overpayment, overcrowding and displacement).

- *Contributing Factors:* The element identifies contributing factors to fair housing issues but should also prioritize those factors to better inform goals and actions.
- *Goals, Priorities, Metrics, and Milestones:* The element must be revised to add or modify goals and actions based on the outcomes of analysis described above. Goals and actions must specifically respond to the analysis and 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 metrics and milestones as appropriate and must address housing mobility, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

For more information, please visit HCD Data Viewer, guidance and other resources at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

The element includes some basic information regarding extremely low-income (ELI) households such as the number of households (pages 12 and 14) and projected housing needs (page 69). However, given the unique and disproportionate needs of ELI households, the element must include analysis to better formulate policies and programs. For example, the element could analyze tenure, cost burden, overcrowding and other household characteristics then examine the availability of resources to determine gaps in housing needs. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/extremely-low-income-housing-needs.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).)*

Parcel Listing: The element must also identify parcels by zone and the anticipated affordability level of the units for each site identified in the sites inventory. (Gov. Code, § 65583.2, subd. (c).) Zoning may include zoning anticipated as part of the development code completion.

Timing of Rezoning: The element notes zoning will be completed consistent with the new general plan prior to the beginning of the planning period. For your information, if the new general plan designation and zoning are not available to sites prior to the

beginning of the planning period, then sites will need to be made available with zoning within the first three years of the planning period and must be zoned by-right in compliance with Government Code section 65583, subdivision (c), paragraph (1), and 65583.2, subdivisions (h) and (i).

Specific Plans: The element describes several approved specific plans with residential capacity (page 70). To utilize this capacity toward the regional housing need allocation (RHNA), the element should include a description that accounts for the anticipated build-out of these specific plans in the eight-year planning period and should describe the methodology for crediting units in the Resort Specific Plan to moderate income households based on actual or anticipated rents and sale prices. In addition, HCD understands much of this residential capacity has not been parceled according to the approved land uses. To utilize these sites, the element should include these specific plans in the parcel listing by various statutory requirements such as parcel number, acreage and capacity by income and, outside of the parcel listing and should further describe approved land uses by sub-areas, planned capacity, acreage, zoning and anticipated affordability.

Realistic Capacity: The element (page 72) mentions an assumption of 70 percent of maximum allowable densities to calculate residential capacity on identified sites but should also support this assumption based on typical densities of existing or approved residential developments at a similar affordability level.

In addition, the element appears to assume residential development on sites zoned for nonresidential uses (page 71), but to support this assumption, the element must analyze the likelihood of residential in zoning where 100 percent nonresidential uses are allowed. The analysis should be based on factors such as development trends including nonresidential, performance standards requiring residential uses or other relevant factors such as enhanced policies and programs.

Infrastructure: While the element generally describes sufficient water capacity to accommodate the RHNA, it must include a similar description for sewer capacity. (Gov. Code, § 65583.2, subd. (b).) 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#environmental>.

Suitability of Nonvacant Sites: The element must include an analysis demonstrating the potential for redevelopment of nonvacant sites. To address this requirement, the element describes several locational criteria such as parking use, vacancy rates and other indicators but should include additional factors such as existing versus allowable floor area ratio, age of structure, presence of expiring leases, condition of the structure, expressed interest in development. In addition, the sites inventory should list the values for all these factors. Finally, the element should support these factors based on recent trends or other information.

Accessory Dwelling Units (ADUs): The element projects 20 ADUs per year over the eight-year planning period for a total of 160 ADUs; however, the element notes the approval of 11 ADUs in 2018, 31 in 2019 and 18 in 2020. These trends are inconsistent HCD records (5 in 2018, 14 in 2019 and 2 in 2020) and do not support an assumption of 20 ADUs per year. To support assumptions for ADUs in the planning period, the element should reduce the number of ADUs assumed per year or reconcile trends HCD records, include additional information such as resources and incentives and other relevant factors and modify policies and programs as appropriate. Additionally, programs should commit to frequent monitoring (every other year) and specific commitment to adopt alternative measures such as rezoning or amending the element within a specific time (e.g., 6 months) if ADU assumptions for the number of units and affordability are not met.

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 for technical assistance.

Zoning for a Variety of Housing Types: The element must include analysis and programs as appropriate to demonstrate zoning for a variety of housing types, as follows:

- *Transitional and Supportive Housing*: Definitions for transitional and supportive housing and target population (page B-37) appear inconsistent in Government Code section 65582, and the element should be revised, including with programs, as appropriate.
 - *Employee Housing Act*: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5, 17021.6 and 17021.8. For example, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone.
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 identifies and describes various land use controls but must also include an analysis of the impacts of these land use controls on the

cost, supply, timing and approval certainty of development. This analysis must specifically evaluate land use controls individually and cumulatively for impacts, including the ability to achieve maximum densities without exceptions (e.g., variance, conditional use, density bonus law). Specifically, the analysis must address minimum acreage and garage requirements for higher density zoning districts and include programs to address and remove or mitigate identified constraints.

Local Processing and Permit Procedures: The element identifies criteria for design review; however, it should also analyze those criteria for impacts on approval certainty and timing. For example, the element should address criteria such as "...enjoyment of neighboring, existing or future developments...", "...compatible with the character of the surrounding neighborhood and will maintain the harmonious, orderly and attractive development..." Analysis may address how the City provides clarity and certainty regarding these criteria such as guidelines, pre-application reviews, objectives standards or include programs to promote approval certainty.

Building Codes and Enforcement: The element notes building codes can be locally amended but should also discuss whether the building code has actually been locally amended and identify and analyze any local amendments for impacts on the cost and supply of housing. In addition, the element should discuss how code enforcement is conducted.

Constraints on Housing for Persons with Disabilities: The element must include an analysis of zoning, development standards, building codes, and process and permit procedures as potential constraints on housing for persons with disabilities, as follows:

- *Family Definition:* The element identifies the definition of family that includes the use of a Single Household Unit. This term appears to constrain housing, including for persons with disabilities. For example, the term requires households to be the "functional equivalent of a traditional family" with members that are "interactive" and several other provisions. The element should add or modify programs to address this constraint.
- *Group Homes for Seven or More Persons:* Group homes for seven or more persons appear to be excluded from some residential zones and subject to a conditional use permit. The element should analyze the impacts of excluding these uses from some residential zones and evaluate approval requirements for impacts on objectivity and approval certainty. For example, excluding this housing from residential zones or imposing standards such as compatibility with surrounding uses without clarity would be considered a constraint. As noted on page 37, the element must include programs as appropriate to address identified constraints based on the outcomes of this analysis.

5. *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. The element mentions the lack of agricultural production in the City and concludes no statistical housing need for farmworkers. While the City may not have agricultural production, that does not mean farmworkers do not have housing needs in the broader area, including Rancho Cucamonga. As a result, the element should at least acknowledge the housing needs at a County (e.g., USDA permanent and seasonal data) and regional level and include programs as appropriate.

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 A3, 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 to accommodate the RHNA or zoning available to encourage a variety of housing types.

2. *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).)*

Program HE-15 (Housing for Persons with Special Needs) commits to fund a variety of non-profit organizations to provide services for persons with disabilities but should also proactively reach out to developers of special needs housing to assist in development similar to actions in Program HE-10 (Affordable Housing Incentives). In addition, both Programs HE-15 and HE-10 must include more discrete timing such as annual outreach, annual funding or annual evaluation of permit procedures.

3. *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 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.

4. *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 assessment of fair housing. Based on the outcomes of that analysis, the element must add or modify programs. For additional guidance on program requirements to affirmatively further fair housing, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>.

5. *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).)*

Program HE-9 (Preservation of At-Risk Units) should be revised to comply with noticing requirements and provide education, ensuring noticing and assistance to tenants, and promptly reach out to qualified entities, upon noticing, to preserve at-risk housing units.

C. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved... (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element includes quantified construction, rehabilitation and conservation objectives by income group. In addition, these quantified objectives could reflect the many meaningful actions to conserve the existing housing stock such as housing choice vouchers or efforts to conserve mobilehome parks.

D. 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).)

In addition to all the efforts to achieve public participation in the preparation of the housing element update, the element should describe how the input was considered and incorporated in the element.