



**CITY OF WEST COVINA
CITY COUNCIL
PLANNING COMMISSION**

**THURSDAY, MAY 20, 2021, 6:00 PM
SPECIAL MEETING
2021-2029 HOUSING ELEMENT UPDATE STUDY SESSION
CITY COUNCIL CHAMBERS
WEST COVINA CITY HALL
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790**

CITY COUNCIL

**Mayor Letty Lopez-Viado
Mayor Pro Tem Dario Castellanos
Councilwoman Rosario Diaz
Councilmember Brian Tabatabai
Councilman Tony Wu**

PLANNING COMMISSION

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On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 17, 2020, Governor Newsom issued Executive Order N-29-20, suspending certain requirements of the Brown Act relating to the conduct of public meetings. Pursuant to the Executive Orders, Council Members may attend City Council meetings telephonically and the City Council is not required to make available a physical location from which members of the public may observe the meeting and offer public comment.

On June 18, 2020, the California Department of Public Health issued guidance mandating that people in California wear cloth face coverings in specified circumstances, including when they are inside of, or in line to enter, any indoor public space. Due to the ongoing COVID-19 emergency and pursuant to State and County public health directives, the City Council Chambers will have limited seating available on a first-come, first-served basis for members of the public to attend and participate in the City Council meeting in person. All persons attending the meeting are required to wear cloth face coverings and observe social distancing protocols. Members of the public may also watch City Council the meeting live on the City's website at: <https://www.westcovina.org/departments/city-clerk/agendas-and-meetings/current-meetings-and-agendas> under the "Watch Live" tab or through the West Covina City YouTube channel at www.westcovina.org/LIVE. If you are experiencing symptoms such as fever or chills, cough, shortness of breath or difficulty breathing, fatigue, or sore throat, the City requests that you participate in the meeting from home by watching the meeting live via the links set forth above.

REMOTE PUBLIC PARTICIPATION:

In lieu of attending the meeting in person, members of the public can submit public comments via email or address the City Council by telephone using the methods described below.

EMAILED PUBLIC COMMENT:

Members of the public can submit public comments to the City Clerk via e-mail at City_Clerk@westcovina.org. The subject line should specify "Oral Communications – 5/20/2021" or "Public Hearing Item - 5/20/2021". Please include your full name and address in your e-mail. All emails received by 5:00 P.M. on the day of the Council meeting will be posted to the City's website under "Current Meetings and Agendas" and provided to the City Council prior to the meeting. No comments will be read out loud during the meeting. All comments received by the start of the meeting will be made part of the official public record of the

meeting.

TELEPHONIC ACCESSIBILITY.

Members of the public that wish to address the Council by telephone during Oral Communications or a public hearing may contact the City Clerk by email City_Clerk@westcovina.org or by telephone (626) 939-8433 by 5:30 P.M. on the day of the Council meeting for instructions regarding addressing the City Council by telephone during the meeting.

Please turn off all cell phones and other electronic devices prior to entering the Council Chambers

AMERICANS WITH DISABILITIES ACT

The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Council meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday. Do call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

AGENDA MATERIAL

Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at www.westcovina.org. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

AGENDA

Pledge of Allegiance

Roll Call

Workshop

1. STUDY SESSION: 2021-2029 HOUSING ELEMENT UPDATE

It is recommended that the City Council and Planning Commission take the following actions:

1. Receive staff presentation; and
2. Receive public comments; and
3. Provide direction to staff as appropriate.

Adjournment



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: 05/20/2021

TO: Mayor, City Council and Planning Commission

FROM: David Carmany
City Manager

SUBJECT: **STUDY SESSION: 2021-2029 HOUSING ELEMENT UPDATE**

RECOMMENDATION:

It is recommended that the City Council and Planning Commission take the following actions:

1. Receive staff presentation; and
2. Receive public comments; and
3. Provide direction to staff as appropriate.

BACKGROUND:

The purpose of this study session is to provide the City Council, Planning Commission, and the public information on the housing element update process, and to provide an opportunity for public input. This is the first public meeting prior to preparing the draft Housing Element update.

State law requires each city to adopt a General Plan to guide land use and development. Among the various elements of the General Plan is the Housing Element, which describes City policies and programs for maintaining and improving existing housing, as well as facilitating development of new housing to meet the City's existing and future needs.

While most portions of the General Plan have a time horizon of 20 to 25 years, State law requires that the Housing Element be updated every 8 years. Housing Element planning periods are sometimes referred to as cycles. The City's current Housing Element covers the planning period extending from 2013 to 2021, which is referred to as the 5th Housing Element cycle in reference to the five required updates that have occurred since the comprehensive revision to State Housing Element law in 1980. Every city in the Southern California Association of Governments (SCAG) region (<https://scag.ca.gov>) is required to prepare a Housing Element update in 2021 for the 6th planning cycle, which spans the 2021-2029 period, regardless of when the other elements of the General Plan were adopted.

DISCUSSION:

An important difference between the Housing Element and other elements of the General Plan is the extent of State oversight. The State legislature has declared that a housing crisis exists and an adequate supply of housing is a matter of statewide importance, and has delegated authority to the California Department of Housing and Community Development (HCD) to review cities Housing Elements and issue opinions regarding their compliance with State law. A finding of compliance by HCD is referred to as certification of the Housing Element. Certification is important to enhance cities eligibility for grant funds and to support local land use authority. Cities that do not obtain Housing Element certification may be subject to litigation and court-imposed penalties.

Housing Element Requirements:

State law establishes extensive requirements for Housing Elements. Two of the most important issues that must be addressed in the 2021 Housing Element update are: 1) how City land use regulations address the special housing needs of those with disabilities or other housing difficulties; and 2) how City policies, plans, and regulations help to accommodate the regions need for additional housing that is affordable to persons and families of all income levels as determined through the Regional

Housing Needs Assessment (RHNA) process.

Housing for Persons with Special Needs

Under State law cities must ensure that their plans and regulations facilitate the provision of housing for persons with special needs including:

- Reasonable accommodation for persons with disabilities
- Residential care facilities
- Transitional housing
- Supportive housing
- Emergency shelters and other facilities serving the homeless
- Female-headed households
- Large families (5+ persons)
- The Housing Element must include an evaluation of current City regulations to determine whether any changes are necessary to comport with State requirements.

Regional Housing Needs Assessment (RHNA)

Under State law all cities are required to plan for additional housing to accommodate population growth and address existing housing problems such as overcrowding and housing cost burden. State law recognizes that cities generally do not build housing, since that is typically the role of the private sector. However, cities are required to adopt policies, development regulations and standards to encourage a variety of housing types to accommodate households at all income levels. RHNA is the process by which each jurisdiction's share of new housing needs is determined.

Prior to each Housing Element planning cycle the region's total housing need is established by HCD based upon economic and demographic trends, existing housing problems such as overcrowding and overpayment, and additional housing needed to ensure reasonable vacancy rates and replace units lost due to demolition or natural disasters. The total housing need for the SCAG region is then distributed to cities and counties by SCAG based upon criteria established in State law.

In late 2019 HCD issued a RHNA determination of 1,341,827 additional housing units for the SCAG region during the 2021-2029 period. Following HCD's RHNA determination, SCAG prepared a methodology for allocating a portion of the total RHNA to each jurisdiction in the region consistent with criteria established in State law, and after a series of public hearings SCAG adopted the final RHNA Plan on March 4, 2021.

West Covina's assigned RHNA allocation for the 2021-2029 period is 5,346 units distributed among income categories as follows:

Extremely Low + Very Low	Low	Moderate	Above Moderate	Total
1,653	850	865	1,978	5,346

Source: Cal. HCD, JHD Planning LLC
Assumptions

- Based on a family of 4 and 2021 State income limits
- 30% of gross income for rent or principal, interest, taxes & insurance plus utility allowance
- 10% down payment, 3.57% interest, 1.25% taxes & insurance, \$300 HOA dues

*For-sale affordable housing is typically at the moderate-income level

The RHNA identifies the number of additional housing units at different price or rent levels a jurisdiction would need to fully accommodate its existing population. It also assigns each city's share of projected growth over the next 8 years while avoiding problems like overcrowding and overpayment. The RHNA is a *planning requirement* based upon housing need, *not a construction quota or mandate*, nor a prediction of how much additional housing is expected to be built during the next 8 years. The significance of the RHNA is that jurisdictions must adopt land use plans and development regulations that could accommodate different types of housing commensurate with the RHNA allocation.

The analysis is prepared at a parcel-specific level of detail and identifies properties where additional housing could be built under current regulations. This evaluation is referred to as the sites analysis and State law requires the City to determine whether its plans and development regulations can accommodate the RHNA allocation in each income category. If the sites' analysis does not demonstrate that adequate capacity exists to fully accommodate the RHNA, the Housing Element must describe proactive steps that will be taken to increase capacity commensurate with the RHNA; typically through amendments to land use plans and zoning regulations to facilitate additional housing development. Such amendments could include increasing allowable residential densities or allowing housing to be built in areas where residential development is not currently allowed, such as

commercial areas. State law allows up to three years for cities to complete any rezoning needed to accommodate the RHNA.

Are cities penalized if they do not achieve their RHNA?

Under current law, cities are not penalized if actual housing production does not achieve the RHNA allocation, but some provisions of State law require cities to streamline the review and approval process for qualifying housing developments that meet specific standards (such as affordability and prevailing wage labor requirements) if housing production falls short of the RHNA allocation.

While State law recognizes that housing construction is dependent on many factors including general economic conditions, market trends and developer decisions, cities play a critical role in the housing development process through their land use planning and regulatory powers. State law requires that the Housing Element demonstrate compliance with the RHNA by analyzing the city's capacity for additional housing based on an evaluation of land use plans, development regulations, and other factors.

How will West Covina comply with RHNA requirements?

West Covina's RHNA allocation of 5,346 units is more than six times the allocation of 831 units in the previous Housing Element cycle. As in many other cities, this presents a daunting challenge to demonstrating that City plans and zoning could accommodate this amount of additional housing as required by State law.

Since West Covina is almost fully developed, there is no sufficient vacant land to accommodate the additional housing assigned through the RHNA. Therefore, the City must rely on potential development on underutilized properties that could be redeveloped with housing or mixed use.

When the City's General Plan was updated in 2016, the Downtown was identified as the primary area where land use changes and additional housing development is anticipated. As stated in Chapter 3 (*Our Well-Planned Community*):

Our goal is to direct new growth to the downtown area where development pressures are the greatest and change is desired, while protecting the stable residential areas; target housing and job growth in strategic areas along the corridor; and encourage pedestrian-oriented mixed-use development, while providing vibrant public gathering places.

Because the Housing Element is a component of the General Plan, and State law requires that all portions of the General Plan be internally consistent, it is staff's intent that the 2021 Housing Element update be consistent with the policy direction established by the City Council in the 2016 General Plan. Development regulations for the Downtown are contained in the Downtown Plan and Code, adopted in 2017 and amended in 2018, are consistent with the new General Plan. The City recently began the process of updating the portions of the Development Code that are applicable to other areas of the city.

Staff is currently preparing the inventory of potential sites that could accommodate new housing development. This inventory will focus on potential housing development in the Downtown, consistent with the policy direction established in the General Plan. In addition to the Downtown, the inventory will include other areas of town where additional housing is allowed, as well as expected future accessory dwelling units (ADUs). The City has recently seen significant interest in ADU construction, and future ADUs can satisfy a portion of RHNA requirements at all income levels. According to recent SCAG analysis, approximately 70% of ADUs recently built in the non-coastal portions of Los Angeles County qualified as affordable, and nearly one-quarter of ADUs met very-low-income standards

(https://scag.ca.gov/sites/main/files/file-attachments/adu_affordability_analysis_120120v2.pdf?1606868527).

What are the consequences for not meeting RHNA requirements?

It is important to note that the RHNA identifies the level of need for additional housing not a mandate for housing development or a prediction of the amount of new housing that will be built. State law establishes two separate requirements regarding RHNA allocations: planning requirements and housing production targets.

Planning requirements:

State law requires cities to adopt land use plans and development regulations that could *accommodate* the RHNA allocation in all income categories. To comply with this planning requirement, cities must prepare a parcel-level inventory of properties where additional housing could be built based on current plans and regulations. This inventory is then compared to the RHNA allocations in each income category. If the inventory does not demonstrate adequate potential capacity to accommodate the RHNA allocation in all income categories, the Housing Element must identify proactive steps the City will take to address any shortfall typically through revisions to land use plans or development regulations to create additional capacity for housing.

To determine potential capacity for housing in the affordable categories, State law establishes density standards as a

proxy for affordability. In cities with a population of 25,000 or more, 30 units per acre is considered appropriate for lower-income housing. Parcels where housing may be built at this density may be counted toward the very-low- and low income RHNA allocations regardless of whether affordable housing is actually built on those properties.

Compliance with these planning requirements is necessary in order to obtain State Housing Element certification.

Production targets:

Housing Element certification is not contingent on achieving the RHNA allocations, and there are currently no financial or legal penalties if housing production falls short of the RHNA allocations. However, streamlined permit processing may be required for some projects if the RHNA allocation is not achieved. Streamlined processing limits the review process to confirming that a project complies with objective development standards. In order to qualify for streamlined review, a project must provide a minimum number of affordable units and comply with prevailing wage requirements.

Next Steps:

Staff will identify properties within West Covina that could accommodate new housing development in order to satisfy the City's RHNA. Staff along with the consultant will prepare a draft Housing Element Update for review by the Planning Commission, City Council and community stakeholders. Additional public meetings will be scheduled in the coming months on the draft Housing Element Update. State law also requires that the draft Housing Element Update be submitted for review by HCD prior to final adoption. In order to meet the deadline to obtain a certified Housing Element Update by HCD in October 2021, the City needs to submit the Housing Element Update to HCD for review by August 2021.

A page has been created on the City website

(<https://www.westcovina.org/departments/community-development/planning-division/general-plan/housing-element-update>) where a Housing Element FAQ, meeting notices, an online survey, draft documents, and other reference materials are posted. Interested parties may also submit questions or comments throughout the update process by emailing City staff at:

PlanningDivision@westcovina.org.

The tentative schedule for completing the Housing Element update is as follows:

Date	Milestone
<i>Winter/Spring 2021</i>	Research, analysis & public input City Council/Planning Commission Study Session Prepare Draft Housing Element
<i>Summer 2021</i>	Public Review Planning Commission & City Council Review HCD review & consultation
<i>Summer/Fall 2021</i>	Prepare Revised Draft Housing Element Public review
<i>Fall 2021</i>	Planning Commission public hearing & recommendation City Council public hearing & adoption HCD review & certification by October 2021

Public Notice:

Notice was sent to those agencies and persons on the City's Housing Element interest list.

ENVIRONMENTAL REVIEW:

No formal actions are proposed at this study session; therefore, no CEQA analysis is required at this time. Prior to adoption of the Housing Element, appropriate CEQA analysis and documentation will be prepared for consideration by the Planning Commission and City Council.

Prepared by: Jo-Anne Burns, Planning Manager

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability
Enhance the City Image and Effectiveness
Engage in Proactive Economic Development