



COMMISSION COMMUNICATION

SUBJECT: 2023-2031 HOUSING ELEMENT UPDATE

MEETING

DATE: April 18, 2023

Recommendation

It is recommended by the Planning Division that the Planning Commission and City Council of the City of Soledad receive a presentation on the 2023-2031 Housing Element Update, take public comment, and provide direction to staff for development of the update.

Background

Since 1969, California has required that all cities and counties adequately plan to meet the housing needs of everyone in the community. This is accomplished through a Housing Element, which is a required component of a local government's General Plan. The General Plan is a long-term planning document that helps craft the vision of the City. The purpose of a Housing Element is to identify current and projected housing needs, and set goals, policies, and programs to address those needs.

Unlike other Elements of the General Plan, most of which may be updated at the discretion of each jurisdiction, Housing Elements are required to be updated on eight-year cycles and are subject to the review and approval of the California Housing and Community Development Department (HCD). For this next cycle (known as the "sixth cycle"), the updated Housing Element will cover the period from 2023 to 2031. The deadline to adopt the Housing Element is December 31, 2023. The City has hired the firm PlaceWorks to prepare the updated Housing Element and a draft is currently underway.

Review and Analysis

See Attachment 1. City of Soledad Housing Element Overview (Fact Sheet) for additional background.

1. Housing Element update

The Housing Element is required to address the following:

- Assess and address constraints to housing development.
- Provide an assessment of housing needs.
- Analyze progress toward implementing the previous Housing Element.
- Guide future housing development.

2. Regional Housing Needs Allocation

One of the primary purposes of the Housing Element update is to demonstrate that the city can meet its Regional Housing Needs Allocation (RHNA). HCD provides an allocation to the Association of Monterey Bay Area Governments (AMBAG). AMBAG then determines the RHNA for the individual jurisdictions within its planning area. Table 1 provides the City’s RHNA for the 2023-2031 planning period.

Table 1. City of Soledad 2023-2031 RHNA Allocation

Income Group	Income Range	RHNA (Units)
Very Low-Income (<50% of Area Median Income)	\$56,850 or less	100
Low-Income (50-80% of Area Median Income)	\$56,851 – \$91,000	65
Moderate Income (81-120% of Area Median Income)	\$91,001 – \$108,100	183
Above Moderate Income (>120% of Area Median Income)	\$108,101 or more	376
TOTAL		724

*AMI = Area Median Income. AMI in Monterey County for a household of four = \$90,100 (HCD, 2022).

3. Public Outreach

State law requires local governments to make a diligent effort to achieve public participation of all economic segments of the community and to consider input from diverse voices in the development of the Housing Element. Outreach includes stakeholder interviews with service providers and a nonprofit housing developer, a community workshop and Planning Commission and City Council study session, meetings and hearings. The community workshop was held April 11, 2023. Information about the Housing Element process will be posted on a dedicated website. Materials are provided in Spanish and English, and translation is offered for public meetings. Announcements of the availability of the Public Review Draft and subsequent revised drafts will be distributed. The Housing Element will contain a summary of input received and how it impacted the development of the Housing Element.

4. Recent Changes in State Law

Recent changes in State Housing Element law require additional analysis and programs to be included as a part of the Housing Element update.

AB 879 and AB 1397 – require substantial additional analysis to justify sites as suitable and available for development within the planning period. Additional analysis is required for the following:

- Non-vacant sites, small sites (<0.5 acres) and large sites (>10 acres)
- Vacant sites in the prior two housing elements, or non-vacant sites included in the prior element, can only be used in the sixth cycle Housing Element to accommodate lower income households unless the City allows for development by-right if at least 20% of units are affordable to lower income households.
- Site capacity calculations must be based on the following factors: a) land use controls and site improvements; b) realistic capacity of site; c) typical densities; and d) environmental and infrastructure constraints.

SB 166 – “No Net Loss” Law requires enough sites be maintained to meet the RHNA for all income levels throughout the planning period. This also prevents downzoning or reduction in density, requiring the jurisdictions ensure there is sufficient allowable density to meet the RHNA and without a reduction in the total allowable units.

AB 686 – requires the City to conduct an analysis of indicators of fair housing issues, access to opportunity and resources such as employment opportunities and safe housing conditions and analyze whether the sites inventory combats existing patterns of fair housing issues and fosters an inclusive community moving forward. The Assessment of Fair Housing required under AB 686 must identify specific actions the City will take to combat fair housing issues throughout the planning period.

SB 9 – requires jurisdictions to ministerially approve up to two units on all lots in existing single-family zones and/or allow urban lot splits. Jurisdictions may not require development standards that prevent the construction of two units on either of the parcels resulting from urban lots split that conforms with SB 9 criteria; however, allows jurisdictions to prohibit more than two units on the resulting parcels, including ADUs, Junior ADUs, and primary dwelling units.

SB 35 – requires streamlined approval processes in jurisdictions where the number of building permits issued is less than the share of the RHNA by income category for the planning period. If the jurisdiction has not met the above moderate-income RHNA, projects in which 10 percent of units are for low-income households are eligible for streamlining. If the low-income RHNA has not been met, projects in which 50 percent of the units are for low-income households are eligible for streamlining. Jurisdictions must establish their own SB 35 application process or rely on the process provided by HCD.

SB 330 – is intended to reduce approval time for housing developments in California. Under this bill, jurisdictions must remove barriers to development and prohibits downzoning that results in a loss of allowable residential density in the jurisdiction. Developers may submit a preliminary application under SB 330 that must be deemed complete if all required items are included. Once deemed complete, the project is only subject to the ordinances, policies, and standards and place

at the time the preliminary application was submitted. Under both SB 35 and SB 330, jurisdictions must have objective standards in place for review of projects.

Financial Considerations

There is no fiscal impact related to this item as the funding has already been allocated to the Soledad General Plan Update. The Housing Element update is a component of the authorized work plan.

Alternatives

None.

Attachments:

1. City of Soledad Housing Element Overview (Fact Sheet)
2. Summary of April 11, 2023, Workshop
3. PowerPoint presentation



Bryan T. Swanson, Community & Economic Development Director



2023-2031 Housing Element Update for the City of Soledad

Housing Element Overview

What is a Housing Element?

A housing element is how local jurisdictions plan to meet the housing needs of everyone in the community. At its core, a housing element is an opportunity to have a community conversation about how to address local housing challenges and find solutions. The housing element is one important part of a city or county's general plan, which serves as the blueprint for how a city or county will grow and address changing needs for development. Every eight years, each city, town, and county must update its Housing Element, and work with the California Department of Housing and Community Development (HCD) to achieve certification.



A housing element is a local plan adopted by a city, town, or county that includes the goals, policies, and programs that direct decision-making about housing.





All jurisdictions in Monterey County must update their housing elements for the 2023-2031 planning period. Local jurisdictions look at housing trends and zoning and market constraints, and evaluate various approaches to meeting housing needs across income levels.

The inventory of available sites, or "Sites Inventory," is a key component of a housing element. In this inventory, jurisdictions identify if they have enough land zoned for housing to meet the future need.

State law does not require jurisdictions to build or finance new housing, but they must plan for it.

Local governments must involve the public from all economic segments of the community in developing the housing element.

Housing elements must be updated every eight years and certified by HCD. The 2023-2031 planning period is Monterey County's 6th Cycle Housing Element. The 5th cycle covered 2014-2023.

-  Every city, town, and county in California receives a target number of homes to plan for. This is called the Regional Housing Needs Allocation or RHNA.
-  The State of California (HCD) determines the number of new homes that are needed statewide by region. The regions are organized by councils of governments (COG). Soledad is in the AMBAG COG (Association of Monterey Bay Area Governments).
-  AMBAG prepares the RHNA plan for Monterey and Santa Cruz counties. The RHNA plan establishes the total number of housing units that each city and county must plan for within an eight-year planning period, divided into four income categories.
-  AMBAG received its 6th-cycle RHNA from HCD in August 2021 and convened a planning directors forum made up of local elected officials and staff and stakeholders to create the proposed RHNA methodology. AMBAG released the Draft 6th Cycle RHNA Plan on April 22, 2022, for public review. The Final 2023-2031 6th Cycle RHNA Plan was adopted on October 12, 2022.

City of Soledad 2023-2031 RHNA Allocation

Income Category	Units
Very Low Income (<50% of AMI*)	100
Low Income (50-80% of AMI)	65
Moderate Income (80-120% of AMI)	183
Above Moderate Income (>120% of AMI)	376
Total Allocation	724

*AMI = Area Median Income. AMI in Monterey County for a household of four = \$90,100 (HCD, 2022).

What Are the Components of a Housing Element?

The housing element typically includes:

- 1 Housing Needs Assessment:** Examine demographic, employment, and housing trends and conditions that affect the housing needs of the community.
- 2 Assessment of Fair Housing:** Analyze fair housing issues, including patterns of segregation and integration, disparities in access to opportunity, and disproportionate housing needs.
- 3 Evaluation of Past Performance:** Review the previous housing element to measure progress in implementing policies and programs.
- 4 Housing Sites Inventory:** Identify available sites for housing development or redevelopment to ensure that there is adequate capacity to address the Regional Housing Needs Allocation.
- 5 Community Outreach and Engagement:** Implement a robust community outreach and engagement program, with a particular focus on outreach to traditionally underrepresented groups.
- 6 Constraints Analysis:** Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
- 7 Policies and Programs:** Establish policies and programs to fulfill the identified housing needs.

What Happens if a Jurisdiction Does Not Adopt a Housing Element?

If a city does not comply with State law, it can be sued. In addition to facing significant fines, a court may limit local land use decision-making authority until the jurisdiction brings its housing element into compliance. Additionally, local governments may lose the right to deny certain projects.

Why Should the City of Soledad Plan for a Variety of Housing Types?

Purchasing or renting a home is becoming farther out of reach for too many people. A variety of housing types is essential to provide housing options for young and old, families with lower and higher incomes, large and small families, and persons with disabilities. A mix of housing opportunities means, among other things, that young adults moving into the housing market can stay in the cities they grew up in; workers like teachers, firefighters, health care workers, and other essential workers can find homes near their jobs; and older adults have more options for retirement and can stay in the communities they know.

On April 11, 2023, 25 participants participated in a Community Workshop that held to introduce the 2023-2031 Housing Element update and provide an initial opportunity for public comment and feedback. The public was invited to attend and participate in this in person event at Hartnell Community Room at the Soledad Education Center from 6:00pm to 7:30pm. Spanish translation was offered at the workshop. The intent of the workshop was to provide an overview of the Housing Element and Regional Housing Needs Allocation (RHNA) process. After the presentation, City staff responded to questions from the attendees, which covered several topics including how the City can increase the housing stock for extremely low-income households, address severe overcrowding, and provide financial or material support so community members can become homeowners.

After the City responding to questions, the public was invited to provide comments. Comments received included thoughts on how the City should advertise available affordable housing units, designating a City staff person to assist with affordable housing applications and processes, and a request to build more affordable housing. In response to the final comment, the City shared information regarding how future tenants are chosen for the “Las Viviendas” housing project. After the open discussion period, community members participated in an interactive stations that asked participants to choose select their top priorities for the following questions: 1) “What type of housing is needed in the City of Soledad,” and 2) “Which housing groups do you think Soledad needs to focus on and provide housing for.” The options for question one were:

- Permanent supportive housing
- Emergency Shelter
- Mixed Use (for example, ground floor, commercial with apartments or condos above)
- Tiny or micro homes
- Single Family, detached
- Townhouses
- Farmworker or employee housing
- Mobile home parks
- Mobile/manufactured housing (outside of mobile home Parks)
- Accessory Dwelling Units (ADUs) (a.k.a. Granny Flats or Casitas)
- For-sale-condominiums
- Rental Apartments
- Other

The findings for the first board revealed that 40 percent of participants (10 attendees) preferred detached single-family housing and 8 percent (2 attendees) preferred mixed-use housing.

For the second board, response options included:

- Farmworkers
- Students
- First-time homebuyers
- Persons with disabilities
- Seniors -assisted living
- Seniors – independent living
- Low-Income households
- Homeless or recently homeless individuals
- People who work in Soledad

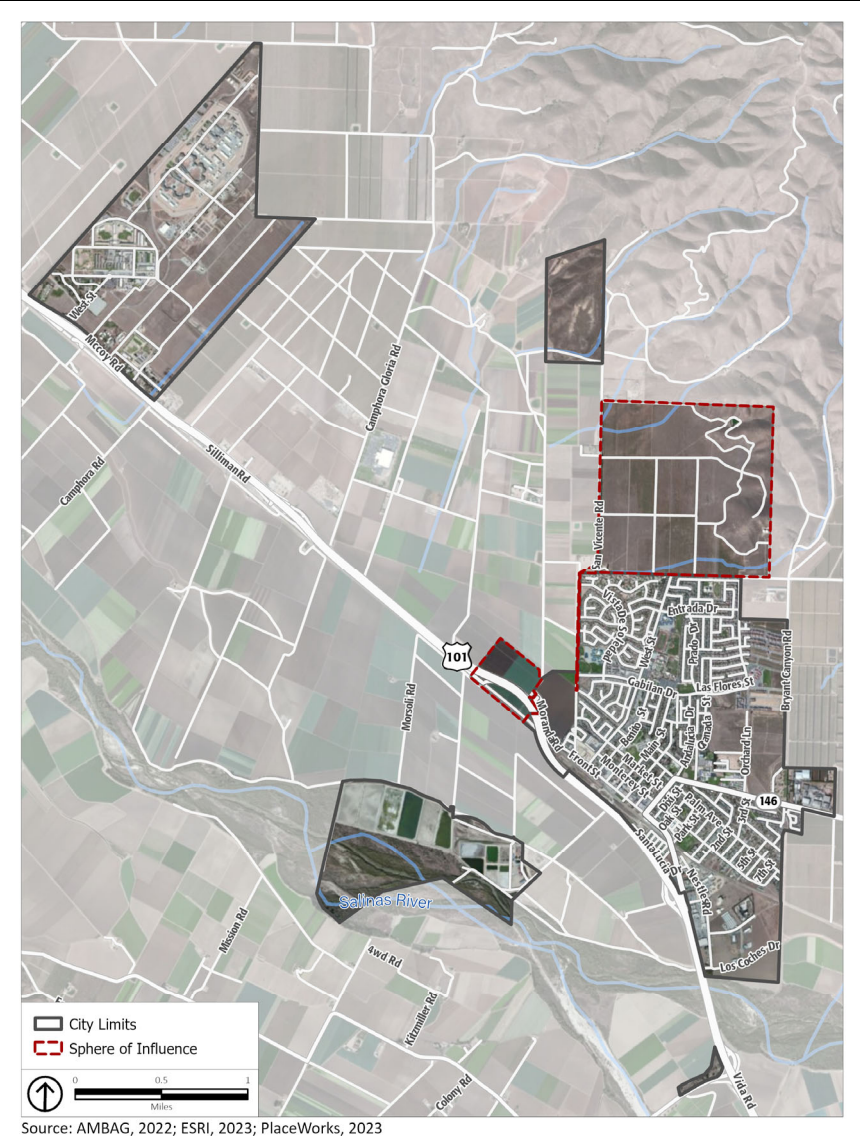
- Households with Children K-12
- Other responses

The findings revealed that for underserved groups, 44 percent (11 attendees) expressed that first-time home buyers needed to be focused on followed by homeless residents (20 percent, 5 attendees), people who work in Soledad (12 percent, 3 attendees) and seniors (12 percent, 3 attendees).

City of Soledad Study Session

Housing Element





City of Soledad Study Session

Project Team

- City of Soledad Planning Division
 - Bryan Swanson, Community and Economic Development Director
 - Tencia Vargas, Economic Development & Housing Program Coordinator
 - Ariana Mora-Jacobo, Assistant Planner
 - Jesus Valenzuela, Community Engagement Manager
 - Dina Uribe, Community Engagement Coordinator
- Consultant Team (PlaceWorks)
 - Amy Sinsheimer, Project Director
 - Nicole West, Project Manager
 - Lucy Rollins, Assistant Project Manager
 - Karla Martinez, Project Planner



City of Soledad Study Session

Agenda

- Housing Element Overview/Contents
- Regional Housing Needs Allocation (RHNA)
- Community Workshop Summary
- Schedule



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Housing Element Overview

- One of the eight mandated elements of the General Plan
- Must be updated every 8 years
- Adoption Deadline: December 31, 2023
- 6th Cycle Planning Period: June 30, 2023 – December 31, 2031
- 5th Cycle Planning Period: December 31, 2015 – December 31, 2023
- Plan for accommodating the City's "fair share" of the regional housing need



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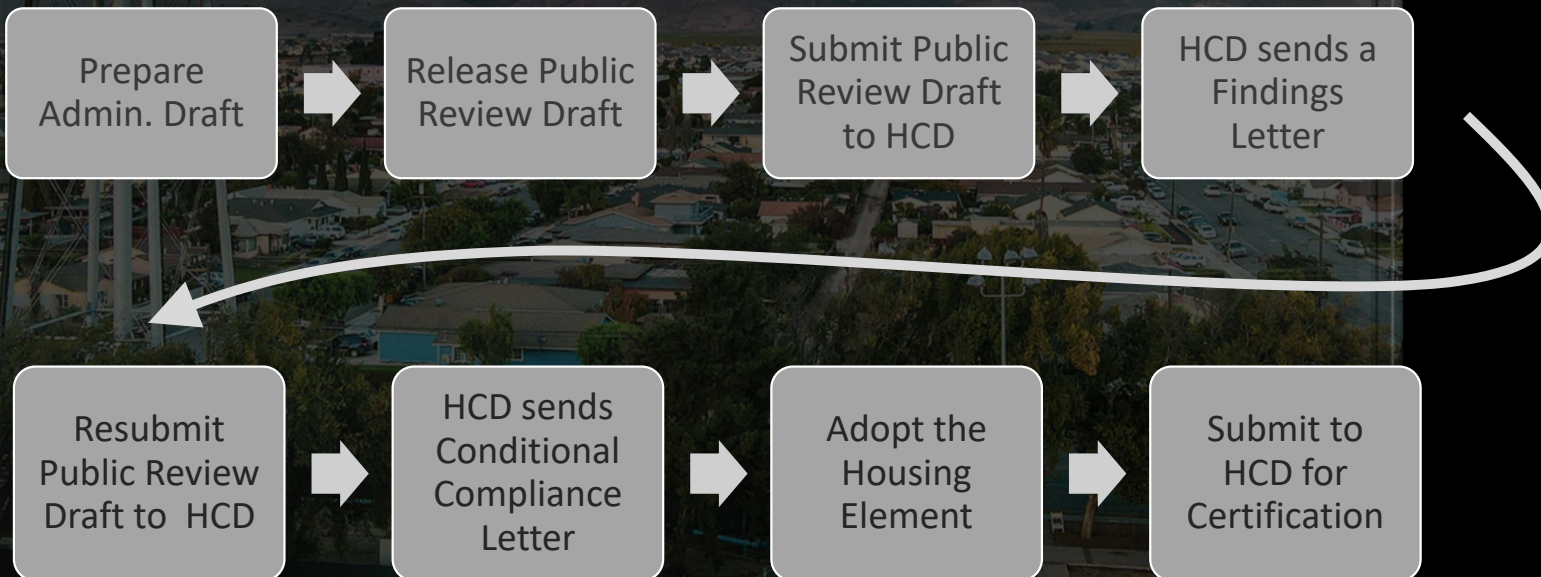
About the Housing Element

- Plans for housing needs of all economic segments of the community
 - Must have adequate zoning to meet the housing needs
 - Must include goals and policies to ensure the City provides adequate housing support for the entire community, including special needs households.
- Does not:
 - Require the City to build the units
 - Provide funding to build units
 - Approve specific residential developments or projects



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Typical Housing Element Update Schedule



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Housing Element Contents

- Analysis of existing and projected housing needs
- Assessment of fair housing
- Inventory of available land for housing
- Analysis of potential constraints on housing
- Evaluation of the previous housing element
- Goals, policies, and programs



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Key Terms and Acronyms

- **HCD: California Department of Housing and Community Development**
- **COG: Council of Government**
- **AMBAG: Association of Monterey Bay Area Governments**
- **RHNA: Regional Housing Needs Allocation**
- **AFH / AFFH: Assessment of Fair Housing / Affirmatively Furthering Fair Housing**
- **AMI: Area Median Income**
- **APR: Annual Progress Report**
- **SB / AB: Senate Bill / Assembly Bill**



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How is RHNA Determined?

State

- The State projects future housing needs at various income levels and allocates units to COGs Statewide

Regional

- AMBAG develops a methodology to evaluate factors for distribution of units to each jurisdiction
- AMBAG RHNA: 33,274 units

Local

- Every City and County must plan to accommodate its “Fair Share” of the regional housing need

Soledad RHNA:
6th Cycle: 724 | 5th Cycle: 191



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Accommodating the RHNA

- Cities and counties must show adequate land zoned for housing to accommodate the RHNA at each income level
- Default density standard for lower-income housing (Section 65583.2(c)(3)(B)):

Type of Jurisdiction	Default Density
Metropolitan jurisdictions	30 units per acre
Suburban jurisdictions	20 units per acre
Nonmetropolitan jurisdictions with a micro-metropolitan area	15 units per acre
Nonmetropolitan jurisdictions	10 units per acre



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RHNA Breakdown

Income Category	RHNA	Income Range for household of four*	Applicable Zoning
Very Low-Income	100	≤\$56,850	R-3 High Density Multifamily Residential
Low-Income	65	\$56,851 - \$91,000	
Moderate-Income	183	\$91,001 - \$108,100	R-2 Medium Density Multifamily Residential CR Commercial Residential
Above Moderate-Income	376	>\$108,100	R-1 Single-Family Residential R-1.5 Low Density Multifamily Residential
Total	724		

*Source: HCD State Income Limits for Monterey County, 2022
Median Income for a household of four = \$90,100



Housing Types and Affordability

Low Density

Housing Element Basic Assumption: Density = Affordability

High Density



Large-Lot
Single Family
Home



Accessory
Dwelling Unit
(ADU)



Townhome



Multifamily Housing,
Rental Apartments, Condominiums,
Mixed-Use Developments



Small-Lot Single
Family Home



Duplex



Mobile/ Manufactured Home



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Strategies to Meet the 6th Cycle RHNA

Starting with sites from the 5th cycle element

Focus on sites larger than 0.5 acres and smaller than 10 acres

Look at vacant and underutilized sites

Projected Accessory Dwelling Units (ADU)

Pipeline Projects



City of Soledad Study Session

Building Progress During the 5th Cycle

Income Category	2014 - 2017	2018	2019	2020	2021	Total Building Permits	5 th Cycle RHNA Goal
Very Low-Income	48	0	0	0	0	48	76
Low-Income							
Moderate-Income	55	0	0	0	0	55	35
Above Moderate-Income	415	131	0	0	0	546	80
Total	518	131	0	0	0	649	191



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Community Workshop Overview

- April 11, 2023, at Hartnell College
- 25 community members attended
- Community members participated in an interactive activity that asked the following questions:
 - What type of housing is needed in the City of Soledad ?
 - Which housing groups do you think Soledad needs to focus on and provide housing for?



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Community Workshop Overview of Comments

- Attendees expressed that state income limits are not representative of local incomes
- Attendees expressed a need for more housing for extremely low-income households
- Attendees voiced that there is severe overcrowding in the City
- Attendees expressed that the rising cost of homes limits local families from becoming homeowners
- Attendees would like support from the City to become homeowners
- Attendees expressed that the inclusionary housing project of “Las Viviendas” limits future homeowners from acquiring equity from selling their home



City of Soledad Study Session

Community Workshop Overview of Comments

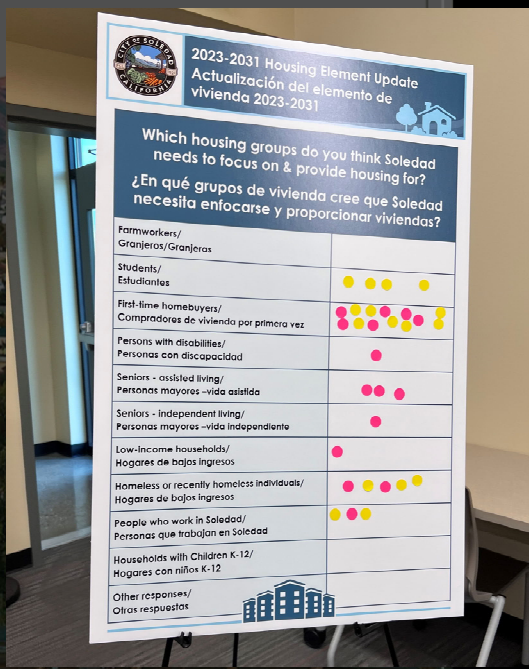
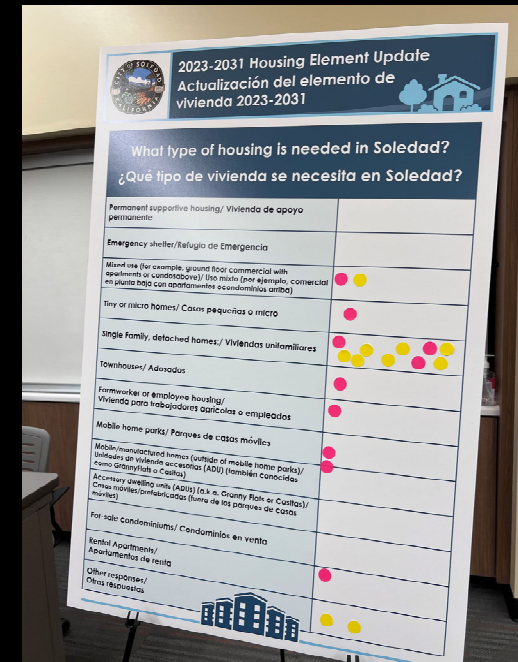
- Attendees asked the City to advertise affordable housing units when they become available
- Attendees asked if the City has a designated person to assist with affordable housing applications and processes?
- Attendees asked why sale prices in the City are so high and if the City can build housing that is more affordable to residents?
- Attendees asked what role the Miramonte project will play in providing more housing for residents?
- Attendees asked how the review process is conducted for selecting residents to buy a home in “Las Viviendas” housing project?



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Findings

- **Top Housing Preferences:**
 - Detached single-family housing: 40% (10 attendees)
 - Mixed-use housing: 8% (2 attendees)
- **Underserved Groups:**
 - First-time homebuyers: 44% (11 attendees)
 - Homeless residents: 20% (5 attendees)
 - People who work in Soledad: 12% (3 attendees)
 - Seniors: 12% (3 attendees)



City of Soledad Study Session

Schedule

Task	Proposed Timeline
Project Kick off Meeting	January 5, 2023
Service Provider Interviews	March – April
Community Workshop	April 11
Planning Commission/City Council Study Session	April 18
Release Public Review Draft	July/August
Planning Commission/City Council Meeting	August/September
Submit Draft to HCD	October – January
Submit 2 nd Draft to HCD	February – April
Adoption Hearings	April/May
HCD Certification Review	June - August



Thank
You!

