



# City of Rialto

## Legislation Text

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**File #:** 21-0667, **Version:** 1

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For City Council Meeting [October 12, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Siri A. Champion, Senior Planner

Request City Council to approve submittal of the Draft 6<sup>th</sup> Cycle Housing Element Update 2021-2029 to the California State Department of Housing and Community Development

**(ACTION)**

**BACKGROUND**

All California cities are required to adopt and periodically update their Housing Elements as part of their General Plans and submit them to the California State Department of Housing and Community Development (HCD) for review and determination of compliance with State law. The City is on a four-year update cycle and statutorily required to submit an adopted Housing Element to the California State Department of Housing and Community Development (HCD) by October 15, 2021.

The City initiated work on the 6<sup>th</sup> Cycle Housing Element 2021-2029 with the assistance of Kimley-Horn and Associates, Inc in March 2021. In the ensuing months, staff and the consultant have evaluated the 2014-2021 Housing Element, analyzed housing resources and constraints, and consulted with stakeholders through a multi-pronged engagement strategy. Most recently, on July 13 and 14, staff and the consultant presented to and received comments from the Planning Commission and City Council.

**ANALYSIS/DISCUSSION**

The draft 6<sup>th</sup> Cycle Housing Element Update (Attachment 1) was completed for 30-day public review on August 20, 2021. This draft includes a review and update of all sections of the adopted mid-cycle 2014-2021 Housing Element for compliance with State law.

The Housing Element is made up of the following sections:

- **Community Profile:** This section provides a summary overview and analysis of demographic and housing in Rialto. These include analysis of the city's population, household characteristics, employment base, and the characteristics of the existing housing stock.
- **Housing Constraints and Resources:** This section examines governmental and non-governmental constraints on production, maintenance, and affordability of housing. In addition, it summarizes housing resources, including sites identification and funding and financial considerations. This section also provides analysis of Fair Housing in compliance with new state requirements to affirmatively further fair housing.

- Policy Plan: This section identifies the City’s housing goals, policies and programs. The policy plan includes five goals continued from the previous plan, twenty-four policies continued from the previous plan and one new policy, and thirty-seven programs comprised of twenty-eight existing/updated programs and nine new programs.
- Appendix A is a review of past performance of 5<sup>th</sup> Cycle Housing Element programs.
- Appendix B identifies adequate sites to accommodate 2021-2029 RHNA growth need.
- Appendix C is a summary of community engagement activities occurring during the development of the draft Housing Element.
- Appendix D is a glossary of housing terms.

#### *Correspondence with the Public*

The draft plan was posted for public review from August 20 to September 22, 2021. One comment letter was received. It has been included as Attachment 4.

At City Council’s direction, staff mailed letters to 211 property owners. A letter (Attachment 2), sent in English and Spanish, informed property owners that “the Housing Element will not affect property rights or change what is currently allowed.” The letter goes on to say “you will retain your right to choose what to do with your property and identifying your property for potential housing development will not mandate or require you or future owners to do or change anything.”

Staff received fourteen replies including six positive comments, three questions, and one party interested in selling. In addition, one owner submitted a copy of Covenants, Codes, and Restrictions (CC&Rs) prohibiting residential development and one developer expressed concern about their ability to develop at high density. The property with the CC&Rs and the two properties identified by the developer will be removed from the adequate sites inventory. Written comments are included with this staff report as Attachment 3.

#### *Adequate Sites Inventory*

The adequate sites inventory shows that the City can meet the 2021-2029 RHNA allocation through a variety of methods including existing pipeline projects, existing zoning development capacity, and rezone strategies within six opportunity areas. Table 1 summarizes the City’s RHNA allocation and dwelling unit capacity including the capacity of the sites in the six rezone opportunity areas.

Table 1. Summary of RHNA Status and Sites Inventory

Table B-1: Summary of RHNA Status and Sites Inventory					
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA (2021-2029)	2,218	1,206	1,371	3,477	8,272
Units Constructed/Issues Permits in Projection Period (Begins June 31, 2021)	0	0	0	387	387
<b>Remaining Unmet RHNA</b>	<b>2,218</b>	<b>1,206</b>	<b>1,371</b>	<b>3,090</b>	<b>7,885</b>
<b>Existing Zoning – Unit Capacity</b>					
Accessory Dwelling Unit Projection	74		45	9	128
5 <sup>th</sup> Cycle Sites	0		0	55	55
<b>Entitled, Private Specific Plans</b>					
Lytle Creek Ranch Specific Plan	0		623	5,637	6,260
Renaissance Specific Plan	0		404	875	1,279
<b>Opportunity Areas Under Existing Zoning</b>					
1 - Foothill Boulevard Specific Plan	1,472		129	1,018	2,619
2 - North Riverside Avenue	1		0	1	2
3 - Gateway Specific Plan	0		0	0	0
4 – Rialto Central Area Specific Plan	15		0	13	28
5 - Baseline Parcels	32		3	23	58
6 - Baseline Shopping Center	0		0	0	0
<b>Rezone Strategies – Unit Capacity</b>					
<b>Opportunity Areas with Rezone/Upzone Programs*</b>					
1 - Foothill Boulevard Specific Plan	1,624		155	1,224	3,003
2 - North Riverside Avenue	219		19	159	397
3 - Gateway Specific Plan	734		67	531	1,332
4 – Rialto Central Area Specific Plan	240		11	191	442
5 - Baseline Parcels	80		5	61	146
6 - Baseline Shopping Center	466		44	336	846
<b>Total Potential Development Capacity</b>	<b>4,957</b>		<b>1,505</b>	<b>10,520</b>	<b>16,982</b>
Sites Surplus/Shortfall (%)	45%		10%	203%	105%
Sites Surplus/Shortfall (#)	1,533		134	7,043	8,710

\* Note – unit capacity shown is the net units gained by the rezone

On July 13, City Council directed staff to evaluate additional parcels north of the 210 Freeway and along Baseline Road.

Staff identified and evaluated sites north of the 210 Freeway and have included nine 5<sup>th</sup> Cycle sites to incorporate into the 6<sup>th</sup> Cycle Housing Element. These nine sites do not meet criteria to accommodate low or moderate income dwelling units but may be applied to the City's above moderate inventory for a total of approximately sixty-two dwelling units.

Near and adjacent to Baseline Road between Cactus Avenue and Acacia Avenue, two opportunity areas have been identified. First, seven smaller dispersed parcels are identified as a new Opportunity Area, 5 - Baseline Parcels. These consist of vacant parcels and a church with a large vacant area. Second, the commercially developed parcels located at Baseline Road and Riverside Avenue are included as Opportunity Area, 6 - Baseline Shopping Center. The inventory assumes 50% redevelopment meaning up to half of the opportunity area would redevelop into residential uses. The sites on and near Baseline Road are suitable for all income ranges because of the potential for higher density to meet state requirements.

#### *Revisions Prior to Submittal*

Prior to submitting the draft plan to the California State Department of Housing and Community Development (HCD), staff will conduct additional review of the document of an editorial nature to ensure compliance with a variety of state requirements. These editorial changes are not intended to change the spirit or intent of the land use and policies.

#### **ENVIRONMENTAL IMPACT**

Pursuant to Section 15378 of the California Environmental Quality Act (CEQA), a “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Approval of a draft policy document is an administrative function and is not a project as defined by CEQA.

#### **GENERAL PLAN CONSISTENCY**

The Housing Element and its implementation plan are a required component of the General Plan. This activity is consistent with Goal 6-2, which is to “promote and encourage housing development that adequately meets the needs of all socioeconomic segments of the community and region.

#### **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report.

#### **FINANCIAL IMPACT**

##### Operating Budget Impact

Adopting the Housing Element does not have a direct impact on the City’s General Fund. However, the City Council authorized a Professional Services Agreement with Kimley-Horn and Associates in the amount of \$193,025 for the preparation of the 6<sup>th</sup> Cycle Housing Element Update. The City received an SB 2 Planning Grant award from the California Department of Housing and Community Development (HCD) to fund the Housing Element Update.

##### Capital Improvement Budget Impact

There is no capital improvement budget impact.

##### Licensing

There is no business license required for the requested action.

#### **RECOMMENDATION**

Staff recommends that the City Council direct staff to transmit the 6<sup>th</sup> Cycle Housing Element Update to the California State Department of Housing and Community Development.

