



LAND USE SERVICES DEPARTMENT PLANNING COMMISSION STAFF REPORT

HEARING DATE: July 7, 2022

AGENDA ITEM #2

Project Description

Applicant: County of San Bernardino Land Use Services Department

Community: Countywide

Location: Countywide

Project No: PMISC-2020-00059

Staff: Colin Drukker, Consultant, PlaceWorks

Workshop Topic: Housing Element Informational Workshop

Newspaper Publication Date: June 26, 2022

Report Prepared By: Heidi Duron

PROJECT DESCRIPTION

The Housing Element is a mandatory element of San Bernardino County's (County) Policy Plan. The County is required by state law to prepare a housing element to address existing local housing needs and an assigned share of the County's housing growth. The Housing Element contains goals, policies, and programs to address the state law requirements and the needs of the County's unincorporated communities. The County is currently preparing a Housing Element update for the 2021 to 2029 planning period.

BACKGROUND

Since 1969, the State of California has required that all cities and counties adequately plan to meet the housing needs for their communities. This is accomplished by adopting a housing plan, known as the Housing Element, and is one of the eight required elements for general plans. The County's Housing Element is one of 11 elements of the County's Policy Plan (General Plan). The County's Housing Element is updated on an 8-year cycle, separate from the rest of the Policy Plan, and is subject to detailed statutory requirements and mandatory review by the California Department of Housing and Community Development (HCD). (See generally Government Code §§ 65580-65589.11.) The Housing Element must address both existing and future housing needs. Through the Regional Housing Needs Assessment (RHNA) allocation process, each jurisdiction is assigned a number of units which is then broken down into income categories. In the previous 5th cycle, planning for years 2013 – 2021, the County was allocated 39 units. For the current 6th cycle, planning for years 2021 – 2029, the County was allocated 8,832 units. Additionally, new housing laws require the County to meet more stringent requirements in identifying sites that are suitable for new housing.

OVERVIEW

The following staff report is provided for informational purposes and will review the following items for public and Planning Commission review and comment:

- Housing Element contents
- New Housing Laws
- The RHNA allocation process and County's housing needs
- Housing types, density, and affordability
- Review outreach efforts

ANALYSIS

Housing Element Contents

- Evaluation of the previous Housing Element
- Analysis of existing and projected housing needs
- Inventory of available land for housing
- Analysis of the potential constraints on housing
- Goals, policies, and implementation programs to meet unmet housing needs

New Housing Laws

Since 2017, over a dozen new housing laws have been adopted including:

- Site suitability. More stringent requirements to demonstrate that land and zoning are suitable for housing (AB 1397)
- Site capacity. Prohibited reductions of overall residential development capacity specified in a general plan (SB 166, SB 330)
- Fair housing. Significantly expanded fair housing requirements to mirror federal law (AB 686)
- Compliance. Increased penalties for noncompliant housing element, including legal and financial penalties (AB 72)

Regional Housing Needs Assessment

RHNA is mandated by State Housing Law as part of the periodic process of updating local general plan Housing Elements. RHNA quantifies the need for housing within each jurisdiction during specified planning periods. HCD projects housing needs for each planning period (2021 – 2029 for this cycle) and for each region in the state. The County's assigned region is the Southern California Association of Governments (SCAG). For this 6th cycle planning period, HCD determined the County's housing needs as 1,341,827 units for the SCAG region.

SCAG is the regional planning agency encompassing all jurisdictions in Los Angeles, Ventura, Orange, San Bernardino, Riverside, and Imperial counties and 191 cities. The methodology used to determine the distribution of units among jurisdictions considers a variety of factors of both existing and future housing needs and is meant to meet the

following objectives: 1) to increase the housing supply and mix of housing types, tenures and affordability in an equitable manner, 2) promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns, 3) promote an improved intraregional relationship between jobs and housing, 4) allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the County distribution, and 5) affirmatively furthering fair housing. The adopted methodology yielded a total of 8,832 units for the County's unincorporated areas and is broken down below in detail.

Income Level	Housing Units	Percent
Very Low (<50% AMI)	2,179	25%
Low (50% - 80% AMI)	1,360	15%
Moderate (81% - 120% AMI)	1,523	17%
Above Moderate (>120% AMI)	3,770	43%
Total	8,832	100%

Housing Types, Densities and Affordability

The price of land is one of the biggest influences on the cost of housing. By increasing the density, or number of units allowed per acre, the cost per unit goes down allowing each unit to be sold or rented at a lower price. However, because of the County's geographic diversity, lower density development can still be available at a relatively low cost. While affordability is typically achieved with higher densities, certain areas in the County, particularly North Desert, are often affordable at lower densities. In addition to rural homes, manufactured homes and accessory dwelling units also provide affordable housing in the County.

Sites and Zoning for Lower Income RHNA

As part of the required sites inventory, the County must identify vacant or underutilized land zoned at appropriate densities to accommodate the projected new housing units for each income category. The income categories include above moderate, moderate, low, and very low. Lower income RHNA includes both low- and very low-income housing. State law allows the use of higher density zones as a proxy for lower income affordability.

County zoning currently allows up to 20 units per acre in the Multiple Residential (RM) zones. State density bonus law allows increased densities for affordable housing projects. The density which the state deems appropriate is dependent on the type of jurisdiction; for the County, sites allowing for at least 30 units per acre (excluding state density bonus

provisions) are viewed as appropriate or able to accommodate lower income affordable housing. While the County's strategy to rely on low density housing sites was accepted by HCD for previous Housing Elements, the County's previous RHNA allocation was very small (39 units) in comparison to the 2021 – 2029 cycle (8,832 units). After discussions with HCD, it became clear that the County would not be able to obtain state certification of its Housing Element without creating a path to increase densities for affordable housing.

Accordingly, a new County density bonus was recommended for approval by the Planning Commission on July 22, 2021 (Agenda Item #4) to the Board of Supervisors. If adopted by the Board of Supervisors, the County density bonus would facilitate affordable housing by allowing a maximum density of 30 units per acre for affordable housing projects on properties with a RM zoning designation located in the Valley region and the Desert region when served by piped water, sewer, and paved roads.

Outreach Efforts

The County has been engaged in a continuous conversation with the public, community groups and other stakeholders on housing needs, issues, policies and programs. These outreach efforts are summarized below.

- Countywide Plan – The San Bernardino County Land Use Services Department held over 80 meetings between 2016 and 2018 in dozens of unincorporated communities to discuss both local and regional needs and concerns.
- Consolidated Plan and Analysis of Impediments to Fair Housing – The San Bernardino County Community and Development and Housing Department engaged approximately 500 people through their community engagement process which included 20 stakeholder interviews, 177 attendees at public meetings, and over 300 survey responses.
- Point-in-Time Count – The San Bernardino County Office of Homeless Services finalized the 2021 Point-in-Time Count to better understand the characteristics and needs of people facing or experiencing homelessness.
- In 2021, the following groups were contacted by the Land Use Services Department: Rim of the World Recreation and Parks District, Big Bear Area Regional Wastewater Agency, Morongo Valley CSD & Fire Department, Homestead Valley Community Center, Lucerne Valley Economic Development Association, Newberry CSD, Helendale CSD and the Mentone Chamber of Commerce.
- Between August 2021 and March 2022, the County conducted a survey of residents and property owners in the Mountain and Desert regions on the concerns regarding short-term rentals.
- An informational workshop was advertised and conducted at the September 9, 2021 Planning Commission Meeting.

Changes Based on HCD Review

The County submitted an initial draft of its updated Housing Element to HCD for review in December 2021. HCD staff subsequently provided a comment letter in February 2022 that identified changes necessary to ensure compliance with state housing law. The County considered HCD's direction and made revisions that were incorporated into a May 2022 revised draft Housing Element. While many of the changes were minor in nature, the more substantive changes are highlighted below.

- Fair housing analysis
 - Augmented the analysis of spatial patterns related to potentially significant concentrations of fair housing issues specific to the housing opportunity sites
 - Added contributing factor related to residents with limited English speaking skills and exposure to pollution from local and regional logistics, including strategies, milestones, and metrics to address the issues
- Housing programs
 - Revise annual progress reports to remove units used for short-term rentals from being counted as long-term housing units (whether ADU, manufactured home, or site-built single family home)
 - Promote the construction of manufactured homes for lower income households in rural areas
 - Development Code updates to update definitions and permit low barrier navigation centers, employee housing, residential care facilities, parolee and probationer housing, permanent supportive housing, single room occupancy units
 - Added quantified objectives for home repair, extremely low income housing, housing for persons with disabilities, and income-restricted units
- Sites inventory
 - Revised pipeline development to align with annual progress reports
 - Adjusted assumptions for lower income housing capacity of ADUs (down slightly), manufactured homes (up slightly), and rural single family homes (all assumed moderate or above moderate only)
 - Adjusted vacant land capacity (up slightly) and removed any reliance on underutilized land
 - Retained current approach on RM zone with local density bonus and confirmed acceptable by HCD (via virtual meetings) for accommodating lower income housing (as the 30 units per acre allowance for affordable housing aligns with the default density thresholds in state law)
 - Bolstered discussion on realistic capacity with examples to support density assumptions
- Governmental and nongovernmental constraints
 - Augmented analysis of parking and cumulative impact of all development standards to confirm they do not pose as constraints to housing production
 - Augmented discussion of entitlement process to confirm a lack of constraints for housing production

Additional Public Input

The May 2022 revised draft Housing Element was then released to the public for review and comment on May 23, 2022, through the County's website. While state law only requires 7 days of review prior to resubmitting to HCD, the County provided a 14-day review period. The County published the revised draft on its website and distributed a link to those who had expressed interest in and/or commented on the initial draft through either an email response to the individual's email address, a letter sent to the individual's mailing address, or through an email distribution list to which an individual had previously subscribed (the County's govDelivery citizen communication system).

During the 14 days of public review, the County received eight comment letters, including representatives from the Inland Counties Legal Services, Morongo Basin Conservation Association, Peoples Collective for Environmental Justice, Sierra Club, and several residents from the East Desert Communities. The County considered these comments over the course of two weeks and made the following types of revisions to the updated draft:

- Data corrections and clarifications (e.g., incorrect figures or notes on sources)
- Clarifications on the amount and nature of public outreach
- Expedited dates, additional narrative, and refinement of Program 4. Short-term Rentals

The County then resubmitted a June 2022 revised draft Housing Element to HCD on June 20, 2022 for a second round of formal review to determine compliance with state housing law. HCD must provide a response letter within 60 days of the submittal date, which is August 19, 2022. County staff anticipates some informal discussion with HCD staff prior to this date to confirm the adequacy of the changes in mid-July. County staff anticipates bringing the Housing Element to the Planning Commission for formal consideration at the July 21, 2022 meeting, and will communicate the status of HCD's determination and whether any other minor changes may be necessary. The County must adopt the updated Housing Element by October 15, 2022 to remain in compliance with state housing law.

ENVIRONMENTAL DETERMINATION

The workshop is an informational meeting not subject to the California Environmental Quality Act. In advance of the Housing Element's consideration for adoption, County staff is finalizing an addendum to the certified EIR for the Countywide Plan. As the Housing Element does not require any rezoning or other changes that could create impacts that are significantly different from what was already evaluated in the Countywide Plan EIR, and addendum is considered the appropriate vehicle for environmental clearance. No public notice is required for an addendum to a previously certified Final EIR and an addendum does not need to be circulated for public review. To ensure the addendum evaluates the Housing Element as deemed compliant with state housing law and to ensure the County can meet the October 15, 2022 adoption deadline, the addendum itself may

only be submitted to the Board of Supervisors. If the County can obtain informal confirmation that the Housing Element is compliant with state housing law by mid-July, the addendum will be submitted along with the Housing Element to the Planning Commission meeting on July 21, 2022.

LINKS TO DOCUMENTS

HCD COMMENT LETTER WITH RESPONSES:

http://www.sbcounty.gov/uploads/LUS/HousingPlans/JUNE_DRAFT_FOR%20HCD/sbdSanBernardinoCouDraftOut020722_CountyResp.pdf

REVISED DRAFT HOUSING ELEMENT JUNE 2022:

http://www.sbcounty.gov/uploads/LUS/HousingPlans/JUNE_DRAFT_FOR%20HCD/CWP_Policy_Plan_HE_2022_June_draft.pdf

REVISED DRAFT HOUSING ELEMENT TECHNICAL REPORT JUNE 2022:

http://www.sbcounty.gov/uploads/LUS/HousingPlans/JUNE_DRAFT_FOR%20HCD/HousingElement_CWP_TechReport_Draft_2022_June.pdf