

## Planning Commission - Staff Report

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**Meeting Date:** March 28, 2023

**From:** David Niskanen, Contract Planner, [david@jbandersonplanning.com](mailto:david@jbandersonplanning.com)

**Prepared By:** Marissa Martinez, Administrative Analyst/Deputy City Clerk,  
[mmartinez@cityofwaterford.org](mailto:mmartinez@cityofwaterford.org)

**Action Title:** 6<sup>th</sup> Cycle Housing Element Update – Planning Commission Public Workshop

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### EXECUTIVE SUMMARY:

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The City has begun the 6<sup>th</sup> Cycle Housing Element Update and is requesting that the Planning Commission hold a Public Workshop to receive public input and discuss the Housing Element Update process.

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### BACKGROUND/ANALYSIS:

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#### Housing Element Overview

Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. California's local governments are required to prepare a Housing Element, which is one of the seven required elements of the General Plan.

The Housing Element must be updated approximately every 8 years, and it is the role of the Department of Housing and Community Development (HCD) to administer and ensure local government compliance with Housing Element law. HCD is now administering the 6<sup>th</sup> Cycle Housing Element. For Waterford and other local governments within the Stanislaus Council of Governments (StanCOG), the 6<sup>th</sup> Cycle covers the period from June 30, 2023, to December 31, 2031.

Because the Housing Element is updated every eight years, the current 5<sup>th</sup> Cycle Housing Element provides a foundation for this update. Please refer to the City's current 5<sup>th</sup> Cycle Housing Element for more information on existing goals, policies, and programs. It can be accessed on the City's website:

<https://www.cityofwaterford.org/planning-department/>

To comply with State law, each jurisdiction's Housing Element must be updated to ensure its policies and programs can accommodate its share of the number of housing units identified by the State. The Housing Element update includes the following steps:

- Determine the Regional Housing Needs Assessment (RHNA)
- Update previous Housing Element
- Publish Draft Housing Element for a 30-day Public Review Period
- Submit Draft Housing Element to HCD for review
- Revise Draft Housing Element pursuant to HCD comments

- Adopt Housing Element (Planning Commission and City Council)
- Submit Adopted Housing Element to HCD for Certification

**Regional Housing Needs Assessment (RHNA)**

HCD begins the RHNA process by setting the total number of new housing units needed for the State during the 6<sup>th</sup> Cycle. HCD then disaggregates the total number of new housing units by income group: Very Low, Low, Moderate, and Above-Moderate Income. Next, HCD distributes those numbers to each region within the State. For the StanCOG region, HCD allocated a total of 34,344 new housing units for this 6<sup>th</sup> Cycle Housing Element period.

StanCOG then takes the lead and establishes a methodology for allocating the units across the local jurisdictions within its region. StanCOG started its part of the 6<sup>th</sup> Cycle RHNA process in 2021. Waterford actively participated in that process, attending all the Valley Vision Stanislaus (VVS) meetings, and providing comments to StanCOG on the RHNA process during the various meetings. The Final RHNA Plan was adopted by the StanCOG Policy Board on August 16, 2022.

For Waterford, the RHNA allocation is:

<b>Total RHNA Units for Waterford</b>	<b>557</b>
Very Low Income (<50% of AMI*)	107
Low Income (50-80% of AMI)	74
Moderate Income (80-120% of AMI)	115
Above Moderate Income (>120% of AMI)	261
*AMI = Area Median Income, based on the Stanislaus County average incomes.	

**Housing Element Update – Components**

Key components of the Housing Element include:

- A demographic profile and analysis of population growth and trends in the community;
- Identification and analysis of existing and projected housing needs for all economic segments of the community;
- Identification of adequate sites that are zoned and available within the 8-year housing cycle to meet the City’s fair share of regional housing needs at all income levels, as prescribed by the RHNA;
- An evaluation of local constraints or barriers to housing development as well as opportunities to develop housing; and
- Housing goals, policies, quantified objectives, and scheduled programs to preserve, improve and develop housing within the City.

## Site Inventory

As part of the Housing Element Update process, the City will be identifying adequate sites to accommodate the 557 new units, particularly “affordable” units that would be available to very-low and low-income households. Combined, the 107 very-low income units and the 74 low-income units bring the total number of affordable units for Waterford to 181.

To identify a housing site as “affordable”, a Housing Element needs to provide analysis demonstrating that adopted densities, costs, financial subsidies and/or market demand can accommodate lower income households. In Waterford, such an analysis is infeasible because very few, if any, houses rent or sell at rates that are affordable to very-low or low-income households. As an option and alternative to preparing the analysis, California Government Code Section 65583.2(c)(3)(B) allows local governments to elect the option to utilizing “default” density standards that are “deemed appropriate to accommodate housing for lower income households.”

The default density standard provides a streamlined option for local governments to meet the density requirement. If a local government zones a site to meet the default density, no analysis to establish the appropriateness of the default density is required and HCD must accept that density as appropriate in its review. Waterford and the surrounding cities in the region are designated as “Suburban Jurisdictions”. This means that Waterford must identify sufficient sites that have a density of no less than 20 dwelling units per acre for the very-low and low-income categories.

Waterford has used the default density strategy in its previous Housing Element to successfully meet its RHNA requirements for very-low and low-income housing. Additionally, Waterford successfully satisfied its moderate and above moderate RHNA allocation by identifying sites that allow for Low Density Residential and Medium Density Residential developments.

Potential sites to satisfy the 557 RHNA requirement should have:

- Reasonable access to infrastructure, including roads, sewer, and water;
- Topography with slopes less than 10%;
- Limited geologic constraints;
- Limited biological resources; and
- Adequately sized to accommodate housing development (e.g., avoiding sites that are too small to realistically develop).

Staff will be presenting information on sites that potentially meet these criteria, including but not limited to:

- City owned undeveloped properties.
- Undeveloped privately owned residentially zoned properties.
- Undeveloped privately owned non-residentially zoned properties (e.g., Mixed Use).
- Underutilized developed commercial properties that could be rezoned to a mixed-use density.

## Public Participation

Public participation is an important component of the Housing Element Update process. The City is required to make diligent effort to include all economic segments of the community (including residents and/or their representatives) in the development and update of the Housing Element.

This workshop is the start of the process for Waterford's 6<sup>th</sup> Cycle Housing Element Update. A public notice informing the public about the workshop and inviting their participation was published in the *Waterford News* on March 15, 2023. Additionally, a webpage is being setup to inform the public about the Housing Element process. This webpage will be updated periodically and will include drafts of the 6<sup>th</sup> Cycle Housing Element.

The public outreach process will continue during the next few months as the City works to complete the draft Housing Element Update.

## **Schedule**

To meet HCD's 6<sup>th</sup> Cycle Housing Element requirement, Waterford and other StanCOG local governments must have their Housing Element submitted to HCD for review and approval by December 31, 2023. To meet this schedule, Waterford will need to follow this recommended timeline:

- Develop Site Inventory Analysis – April/May 2023
- Complete Draft Housing Element Document - June/July, 2023
- Planning Commission review and Concurrence of Draft Housing Element – July 2023
- City Council Review and Recommendation to Submit Draft Housing Element to HCD – July 2023
- Submit Draft Housing Element to HCD for 90-day Review – July/August/September 2023
- Revise Housing Element Update – September/October 2023
- Planning Commission Review and Recommendation to City Council for Adoption – October 2023
- City Council Approval of Housing Element Update – October/November 2023
- Submittal of Final Housing Element to HCD – December 2023

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## **ATTACHMENTS: (List all attachments.)**

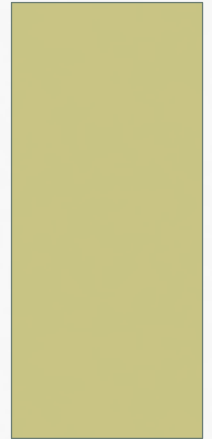
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1. **6<sup>th</sup> Cycle Housing Element Public Workshop PowerPoint Presentation**



# CITY OF WATERFORD PLANNING COMMISSION

6<sup>TH</sup> CYCLE HOUSING ELEMENT UPDATE  
PUBLIC WORKSHOP – MARCH 28, 2023



# AGENDA

- Overview of the Housing Element, RHNA, and Laws
- Sites Inventory
- Affirmatively Furthering Fair Housing Requirements
- Project Timeline and Next Steps
- Questions, Discussion & Community Input

# WHAT IS A HOUSING ELEMENT?

- Housing Element is one of the required elements of a General Plan.
- Covers an 8-year planning period from June 30, 2023, to December 31, 2031.
- Sites inventory with Zoning to meet Regional Housing Needs Allocation (RHNA).
- Policies and Programs
- Many Statutory Requirements – Affirmatively Furthering Fair Housing, HCD Review, Constraints, etc.

## Other General Plan Elements



**Land Use**



**Mobility**



**Conservation**



**Open Space**



**Safety**



**Noise**

# HOUSING ELEMENT CONTENT

- Policy and Programs Review
- Housing Needs Assessment
- Housing Constraints Assessment
- Adequate Sites Inventory
- Analysis of Fair Housing
- Housing Resources Assessment
- Implement Plan (Goals and Policies)



# HOUSING ELEMENT ROLE

## **The Housing Element DOES:**

- Assess and address constraints to development
- Guide housing development policy
- Identify opportunities to meet the City's housing need

## **The Housing Element DOES NOT:**

- Require the City to build the housing units identified in the RHNA
- Solve all housing problems

# REGIONAL HOUSING NEEDS ALLOCATION

- **RHNA** is the amount of housing each city must **plan** for in the Housing Element.
- **Waterford's RHNA is 557 total units.**

<b>Total RHNA Units for Waterford</b>	<b>557</b>
Very Low Income (<50% of AMI*)	107
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# REGIONAL HOUSING NEEDS ALLOCATION

## Stanislaus County 2023 Annual Income Limits

Number of Persons in Household		1	2	3	4
Area Median Income: 80,300	Acutely Low Income (0 – 15% AMI)	8,450	9,650	10,850	12,050
	Extremely Low Income (15 – 30% AMI)	16,750	19,150	23,030	27,750
	Very Low Income (30 – 50% AMI)	27,900	31,900	35,900	39,850
	Low Income (50 – 80% AMI)	44,650	51,000	57,400	63,750
	Moderate Income (80 – 120% AMI)	56,200	64,250	72,250	80,300

# KEY 6<sup>TH</sup> CYCLE HOUSING ELEMENT BILLS

- **AB 1397:** Adequate Housing Element Sites
- **SB 166:** No Net Loss
- **AB 686:** Affirmatively Furthering Fair Housing
- **AB 72:** Housing Element Enforcement
- **AB 691:** ADU Plan
- **AB 879:** Reporting Requirements
- **AB 1763:** Enhanced Density Bonus
- **AB 2162:** Supporting Housing Streamlined Approval
- **SB 6:** Design and Development of the Site Inventory
- **AB 1851:** Religious Institutions Affiliated Housing

# SITE INVENTORY

## **State Requirements:**

- Inventory of land suitable and available within 8 years.
- Accommodate RHNA by income level.
- Adequate sites with appropriate zoning (Waterford's Default Density is 20 du/acre).
- Sites must meet new State requirements.
- Locations must affirmatively further fair housing.

# HCD REVIEW OF SITE SUITABILITY

Existing Use on  
the site

Realistic potential  
for development

Site  
Suitability

Site size and  
ownership  
patterns

Development  
density

# SITE INVENTORY ASSUMPTIONS

**Density = Affordability**

Above  
Moderate  
Income

Moderate  
Income

Lower  
Income



Large Lot  
Single-Family



Duplex



Multi-Family  
Housing



Single-Family



Accessory Dwelling

# AFFH REQUIREMENTS

- **Affirmatively Furthering Fair Housing (AFFH)** means “*meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access*”.
- Requirement analyze not just how many new units a community needs, but also where they are built and who will have access to them.
- Programs must constitute meaningful actions to address disparities in housing needs & access to opportunities.
- All housing policies, programs & actions must be viewed through an equity lens.



# AFFH REQUIREMENTS CONT'D

- Must collect & analyze data regarding fair housing issues & enforcement.
- Identify patterns of segregation, areas of racial or ethnic concentration.
- Identify fair housing policies and programs to implement them.

# TIMELINE

Activity	Date
Develop Site Inventory	April/May 2023
Complete Draft Housing Element Document	June/July 2023
Planning Commission Review and Concurrence of Draft Housing Element	July 2023
City Council Review and Recommendation to Submit Draft Housing Element to HCD	July 2023
Submit Draft Housing Element to HCD for 90-day Review	July-September 2023
Revise Housing Element Document	September/October 2023
PC and CC Review and Adoption of Housing Element	October/November 2023
Submittal of Adopted Housing Element to HCD	December 2023

# COMMUNITY ENGAGEMENT

- Community Workshops
- Stakeholder Interviews
- Online Survey
- Study Sessions
- Public Hearings
- Dedicated Webpage (being setup now)

# NEXT STEPS

- Outreach & Community Input (ONGOING)
- Data Collection; Issues, Constraints, Opportunities
- Preliminary Site Inventory, Fair Housing Analysis & AFFH Programs of Actions
- Draft Housing Element

THANK YOU



QUESTIONS?