



# STAFF REPORT

## CITY of YORBA LINDA

---

### COMMUNITY DEVELOPMENT DEPARTMENT

**DATE:** FEBRUARY 1, 2022

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** DAVID BRANTLEY, COMMUNITY DEVELOPMENT DIRECTOR  
PREPARED BY: NATE FARNSWORTH, PLANNING MANAGER

**SUBJECT:** RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029

---

### RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 2022-5781 to adopt General Plan Amendment 2020-01 – an update of the Housing Element of the General Plan for 2021-2029.

### BACKGROUND

State housing law requires that the City's Housing Element be updated every eight years. On October 20, 2020, the City Council and Planning Commission held a joint Housing Element Update kickoff public workshop. Although the City invited members of the public and key stakeholders to attend the meeting, there were no public comments at this meeting. City staff provided the City Council and Planning Commission with a general overview of the Housing Element Update process, and staff from the State Department of Housing and Community Development (HCD) provided an overview of new state housing requirements.

On February 24, 2021, the Planning Commission conducted a Housing Element Workshop where staff presented the results of the City's community outreach survey, introduced its draft housing sites inventory, and discussed recommended land use and rezoning strategies to achieve its state-mandated RHNA obligation of 2,415 housing units. The Planning Commission also received comments from the public and requested that staff provide them with an opportunity to provide a detailed review of the draft housing sites inventory. Some of these land use strategies included the promotion of constructing ADUs and an affordable housing overlay opportunity zone for properties used for religious purposes.

Since this Planning Commission workshop, staff has met several times with HCD to discuss various land use strategies. Based on the feedback from HCD, staff has further refined the draft housing sites inventory and released a community survey focused on outreach to senior citizens. The senior survey demonstrated that the majority of the senior citizen sector of the population is interested in learning more about senior housing opportunities in the City. Staff has also analyzed a couple lower resource areas on the west side of the City identified by

**RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

Page | 2

HCD as needing more in-depth review for purposes of complying with state housing law to “affirmatively further fair housing.” The purpose of this analysis is to “identify areas in every region of the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children.”

On March 24, 2021, staff provided the Planning Commission with a brief update on the Housing Element status. The Planning Commission provided general feedback on the draft housing sites inventory and directed staff to further refine the inventory based on eligibility requirements from HCD and return with more details on the “candidate” housing sites.

On April 22, 2021, staff presented an update to the City’s Traffic Commission on the Housing Element. The Traffic Commission is primarily interested in learning which housing sites will be identified in order to determine the traffic impacts of those housing opportunities.

On April 28, 2021, staff presented an updated draft “candidate” housing sites inventory and solicited additional comments from the Planning Commission and the public on the proposed sites. The Planning Commission provided additional comments and directed staff to begin the process of reaching out to property owners to educate and solicit feedback on their level of interest in potentially being considered as a housing site. Staff also provided updates on the strategy to utilize ADUs and the religious housing overlay zone.

On June 2, 2021, staff conducted a property owner stakeholder meeting to explain the purpose of the Housing Element, RHNA, and the housing sites inventory to property owners of all previously identified “candidate” housing sites. Over 250 invitations were sent out and nearly 100 individuals participated in the meeting. Staff invited all the property owners to reach out individually to staff to share their level of interest in participating as a candidate housing site. To date, staff has held dozens of individual meetings with property owners to discuss their specific situation and gauge their level of interest as a potential “candidate” housing site. Staff has also continued to research various constraints and eligibility with HCD’s strict standards for each of the properties.

On June 9, 2021, the Planning Commission received an update on the property owner stakeholder meeting and provided the public with another opportunity to comment on the Housing Element Update. The Planning Commission provided general feedback to staff to return with a refined draft “candidate” housing sites inventory with recommended rankings of each site.

On July 14, 2021, staff presented the Planning Commission with a refined draft “candidate” housing sites and presented the highest ranked properties based on site eligibility, known constraints, property owner interest, and other factors. Staff also provided the public with another opportunity to comment on the Housing Element Update and the draft housing sites inventory. The Planning Commission requested that staff provide additional time for the Planning Commission to provide comments and one more opportunity for public comment prior to making a recommendation to the City Council.

## **RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

Page | 3

On July 28, 2021, staff presented the final draft housing sites inventory to the Planning Commission. The Planning Commission provided staff with refinements to the sites inventory and supported ensuring that property owners are informed and supportive of the rezone efforts. Staff has been making efforts to reach all property owners by all means available and will continue that effort and refine the draft Housing Sites Inventory as necessary. The public was also given another opportunity to comment on the plan. Staff has further refined the draft housing sites inventory into the document based on comments from the public, the Planning Commission, and staff's continued property owner outreach efforts.

On August 3, 2021, staff presented the final draft housing sites inventory to the City Council. After receiving input from the public, the City Council provided comments and directed staff to release the draft Housing Element to HCD for their review.

On August 27, 2021, staff submitted the draft Housing Element to HCD for their formal 60-day review. On October 26, 2021, HCD provided comments on the City's draft Housing Element, which mostly requested that the City provide additional information and details on various components of the Housing Element as required by numerous state housing laws.

On October 27, 2021, the Planning Commission conducted a public workshop to receive an update from staff on the comments received from HCD, to receive additional public input, and to provide recommendations on how to proceed with addressing the comments from HCD.

After multiple meetings with HCD to address questions and concerns raised in their letter, staff received direction from the City Council to release the revised draft Housing Element to HCD for review on December 8, 2021. Although HCD is still reviewing the draft Housing Element, the Planning Commission conducted its public hearing on January 12, 2022, and unanimously recommended that the City Council adopt the revised Housing Element in order to meet the deadline of February 12, 2022. The only change the Planning Commission is recommending is the removal of the property located at 18161 Bastanchury Rd from the housing sites inventory at the request of the property owner. Staff has reached out to HCD multiple times to see if they have any comments they would like for the Council to consider prior to adoption of the update; however, to date, they have not provided any comments.

### **DISCUSSION**

State law requires each city to prepare and adopt a housing element as part of its General Plan. According to state law, the Housing Element must: provide goals, policies, quantified objectives, and scheduled programs to preserve, improve, and develop housing. The Housing Element must identify and analyze existing and projected housing needs for all economic segments of the community.

**RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

Page | 4

Housing Needs Assessment

The state develops housing demand projections and apportions these projections to each of the state's regions. In Orange County, the Southern California Association of Governments (SCAG) allocates the state's regional projected demand to individual jurisdictions. This allocation is referred to as the 6th Cycle RHNA and is intended to reflect the projected housing demand of each jurisdiction. State law requires that jurisdictions incorporate this allocation into their Housing Element update. To assess projected housing needs, a complete description of the City's most recent population estimate, and general characteristics of the employment market is provided. This information offers insight into the types of jobs in the community and the incomes associated with such jobs. It also identifies proposed development activities and future housing needs generated by new employment opportunities.

The "Housing Needs" section of the Housing Element identifies and analyzes the existing and projected housing need of the community pursuant to the RHNA. This is different from previous cycles where the RHNA only included the projected need. An assessment must be undertaken of the community's existing and projected housing needs based on household characteristics, housing stock conditions, special housing needs, and demographic and employment trends. The City's total final RHNA allocation is 2,415.

According to the methodology approved by SCAG, the projected need for the City, which is based on planned development and the City's official growth forecast, is 34 units. The existing need for the City is 2,376 and is solely based on a jurisdiction's access to jobs and transit. The existing need also included additional units that were reallocated from disadvantaged communities (DACs) in Orange County. An additional 6 units were allocated to the City as a result of any successful RHNA appeal. The assessment of existing housing needs includes current demographic information, such as the total population, the number of households over-burdened by housing costs (households paying more than 30% of income for housing), the number of households living in overcrowded conditions, and special housing needs. It also includes the number of housing units that need rehabilitation, as well as assisted affordable units at risk of converting to market rate. The majority of the data included in this section has been precertified by HCD for the SCAG region.

Projected need is the household growth for jurisdictions between July 1, 2021, and October 1, 2029. Existing need is considered the remainder of the regional determination after projected need is subtracted. The allocation establishes the number of new units anticipated to be needed, by income category, to accommodate the expected population growth over the planning period of the Housing Element. The housing needs findings are used to inform and develop the Housing Element policies and programs to ensure that the City focuses its efforts on the community's identified needs.

# **RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

Page | 5

## Sites Inventory, Analysis, and Goals and Policies

State law requires jurisdictions to provide an inventory of land suitable for residential development that will allow for, and facilitate production of, the City's regional share of housing as determined by the RHNA.

To determine whether the City has sufficient land to accommodate its share of regional housing needs for all income groups, the City must identify "adequate sites" in the Housing Element site inventory. The purpose of the housing element's site inventory is to identify and analyze specific land (sites) that is available and suitable for residential development in order to determine the jurisdiction's capacity to accommodate residential development and reconcile that capacity with the jurisdiction's RHNA. The site inventory enables the jurisdiction to determine whether there are sufficient adequate sites to accommodate the RHNA by income category. A site inventory and analysis will determine whether program actions must be adopted to "make sites available" with appropriate zoning, development standards, and infrastructure capacity to accommodate the new housing need.

Other characteristics to consider when evaluating the appropriateness of sites include physical features (e.g., size and shape of the site, improvements currently on the site, slope instability or erosion, or environmental and pollution considerations), location (e.g., proximity and access to infrastructure, transit, job centers, and public or community services), competitiveness for affordable housing funding (e.g., Low Income Housing Tax Credit score criteria), and likelihood or interest in development due to access to opportunities such as jobs and high performing schools. When determining sites to include in the inventory to meet the lower income housing need, HCD recommends that a local government first identify development potential in high opportunity neighborhoods. High opportunity areas are places that currently have strong economic, environmental, and educational outcomes. Locating affordable housing in high opportunity areas would result in more racial integration of neighborhoods and offer new economic opportunities to lower income segments of the population. This will assist the local government in meeting its requirements to affirmatively further fair housing and ensure developments are more competitive for development financing.

Sites are considered suitable for residential development if zoned appropriately and available for residential use during the planning period. Housing Element law does not require a jurisdiction to build housing units, but rather to demonstrate that the jurisdiction has the land capacity to address its RHNA. If a jurisdiction cannot demonstrate that the existing zoning and General Plan designations can accommodate its RHNA allocation, the jurisdiction is required to re-zone land in order to have sufficient capacity, among other programs that may also be required. Even if a city re-zones the land to accommodate residential, market and development trends will ultimately dictate the approval and construction of residential units. The City's draft 2021-2029 Housing Element demonstrates that Yorba Linda does not have sufficient capacity under the current General Plan to meet the new RHNA through vacant land capacity and will need to re-zone land and update the General Plan and Zoning Ordinance to accommodate the RHNA. With the proposed re-

**RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

zoning and inclusion of new policies and programs, the City is able to identify sufficient capacity to accommodate the 6th Cycle RHNA.

The City’s 6th Cycle RHNA has been significantly increased from the 5th Cycle RHNA of 669 units to 2,415 total units. The 6th Cycle RHNA will replace the current allocation when the Housing Element is updated, adopted by the City Council, and certified by the state before the statutory deadline.

Housing Element statute has been modified the past several years, adding new requirements that must be included in a jurisdiction’s Housing Element update. This includes the addition of the Affirmatively Further Fair Housing (AFFH) section and the “no net loss” requirement in the site inventory. “No net loss” requires a jurisdiction to continuously maintain adequate sites throughout the planning period to accommodate its remaining unmet RHNA by each income category. Specifically, if a jurisdiction approves a development of a parcel identified in its Housing Element sites inventory with fewer units than shown in the Housing Element, it must either make findings that the Housing Element’s remaining sites have sufficient capacity to accommodate the remaining unmet RHNA by each income level, or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category. As a result of this requirement, the City must identify more sites and units than identified in the RHNA. The following table shows how the City proposes to meet its RHNA obligation.

Income Levels	Very Low	Low	Moderate	Above Mod	Total
<b>2021-2029 RHNA Targets</b>	<b>765<sup>1</sup></b>	<b>451</b>	<b>457</b>	<b>742</b>	<b>2,415</b>
<b>Existing Zoning</b>					
Entitled Projects (post 6/30/2021 occupancy)				181	<b>181</b>
Town Center Specific Plan			31		<b>31</b>
RM-30			12		<b>12</b>
Accessory Dwelling Units	100	172	120	8	<b>400</b>
<b>Existing Site Capacity</b>	<b>272</b>		<b>163</b>	<b>189</b>	<b>624</b>
<b>RHNA Shortfall</b>	<b>(944)</b>		<b>(294)</b>	<b>(553)</b>	<b>(1,791)</b>
<b>Rezone Sites</b>					
Planned Development			64	130	<b>194</b>
RM			129	209	<b>338</b>
RM-20	40		26	40	<b>106</b>
Affordable Housing Overlay	710			72	<b>782</b>
Mixed Use Housing Overlay	26		136	163	<b>325</b>
Congregational Land Overlay	355				<b>355</b>
<b>Total Site Capacity (Existing + Rezone Sites)</b>	<b>1,403</b>		<b>518</b>	<b>803</b>	<b>2,724</b>
<b>RHNA Buffer</b>	<b>+187</b>		<b>+61</b>	<b>+61</b>	<b>+309</b>

<sup>1</sup>One-half of the City’s Very-Low Income housing needs are for Extremely-Low Income households.

# RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029

Page | 7

## Constraints

A number of factors can constrain the development and improvement of housing. These include both governmental and non-governmental constraints, which are reviewed in the Housing Constraints section of the draft 2021-2029 Housing Element. State law requires the City to analyze land use controls, fees and exactions, on- and off-site improvement requirements, building codes, and enforcement thereof, permit and processing procedures, and potential constraints on the development or improvement of housing for persons with disabilities. The draft 2021-2029 Housing Element generally finds that the City land use controls do not create unnecessary constraints to housing development.

Non-governmental constraints must also be analyzed, including the availability and cost of land, as well as construction costs. These constraints are often out of the City's control but can result in housing that is not affordable to low- and moderate-income households.

## Goals, Policies, and Programs

Based on the results of the public participation, housing needs assessment, sites inventory and analysis, and constraints, the draft 2021-2029 Housing Element establishes goals, policies, and programs to facilitate the provision of housing that fulfills the diverse needs of the community.

The draft 2021-2029 Housing Element establishes five goals, which are statements of community desires that are broad in both purpose and aim but are designed specifically to establish direction. Policies provide specific standards for achieving each goal, and are further articulated in the programs, which identify actions the City will implement to achieve each goal and policy.

Many of the goals, policies, and programs have not changed from the 2013-2021 Housing Element. Some have been modified to simplify, avoid redundancy, or reflect current practice, and are outlined in the Goals, Policies and Programs section. New goals, policies, and programs have been added to build upon Yorba Linda's success in building affordable housing throughout the community and address the City's significant RHNA allocation. Some of the new and expanded proposed policies being considered include:

- Support the implementation of State laws to protect existing tenants from displacement through requirements for just cause evictions, limitations on rent increases, and replacement housing requirements if any existing residential units would be removed.
- Support collaborative partnerships with non-profit organizations, religious institutions, the business community and governmental agencies in the provision of affordable, workforce and special needs housing.
- Pursue opportunities to integrate housing in underutilized commercial centers, and to reuse excess or obsolete commercial buildings for housing.

## **RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

Page | 8

- Designate sites in geographically dispersed locations with an Affordable Housing Overlay to provide meaningful incentives for development. Structure the Overlay to provide incentives for the consolidation of smaller parcels to facilitate high-quality development.
- Support the provision of affordable housing on congregational land through flexible development standards, including opportunities for reduced and shared parking arrangements.
- Facilitate the creation of accessory dwelling units (ADUs) and junior ADUs in all residential districts as a means of dispersing small, affordable units throughout the community.
- Provide flexibility in development standards to accommodate new models and approaches to providing housing, such as transit-oriented development, live/work housing, micro units and flex space to allow housing to adapt to the needs of the occupants.
- Establish objective development standards to create greater certainty for developers and streamline the development review and permitting process.
- Continue to support implementation of the Orange County Continuum of Care program for the homeless and persons and families at-risk of homelessness, including the two Navigation Centers recently developed in the nearby area. Support local churches in providing emergency overnight shelter to homeless individuals and families.

The City is also planning on implementing three new housing programs as part of this Housing Element update:

- Affordable Housing Overlay – This overlay zone would allow for certain properties identified in the Housing Element to construct housing at a density of up to 35 dwelling units per acre provided that the development include a certain level of affordability.
- Commercial Mixed-Use Overlay – This overlay zone would allow for certain commercial properties to develop with residential uses provided that the development retains a portion of the existing commercial square footage.
- Congregational Land Overlay – This overlay zone would allow for certain religious properties to construct housing on their properties provided that the developments include a certain level of affordability.

### Site Inventory

State law mandates that cities develop a sites inventory analysis to identify vacant land or land that can be redeveloped during the planning period. The inventory must include a map identifying parcels, general plan and zoning designation, acreage and unit capacity across affordability levels. The sites inventory analysis included in the draft 2021-2029 Housing Element demonstrates that the RHNA of 2,415 total housing units can be accommodated through a combination of the remaining vacant residential sites in Yorba Linda and non-vacant sites that can be redeveloped with a residential component. This will require the City



## **RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

Page | 9

to complete a subsequent update to the General Plan and Zoning Ordinance following the adoption of the Housing Element.

Per Housing Element statute and HCD’s “Housing Element Site Inventory Guidebook”, the City must identify adequate sites at the parcel level. Additionally, according to the guidebook, “the analysis of ‘appropriate zoning’ should not include residential buildout projections resulting from the implementation of a jurisdiction’s inclusionary program or potential increase in density bonus, because these tools are not a substitute for addressing whether the underlying (base) zoning densities are appropriate to accommodate the RHNA for lower income households.” This means despite state law allowing every residential property to be permitted to have two ADUs on each property, the City is unable to utilize the ADU housing program to meet the affordable RHNA allocation. Additional constraints to developing the site inventory include, but are not limited to:

- **Density Realism:** The City must show precedent for high density residential assumptions by providing documentation that nearby developments are at similar densities.
- **Parcel Size:** HCD will scrutinize affordable units on sites that are less than 0.5 acres or more than 10 acres.
- **Affirmatively Furthering Fair Housing (AFFH):** The City is required to spread affordable units throughout the City to ensure there is not a concentration of affordable units in one area.

A detailed breakdown of the residential development capacity by income category is provided in the Projected Housing Needs section of the draft 2021-2029 Housing Element. The City will accomplish this task while continuing Yorba Linda’s tradition of strategic and thoughtful planning. Additionally, the draft 2021-2029 Housing Element continues the community’s commitment to a full spectrum of housing opportunities for all income groups at all stages of life.

### Quantified Objectives

A component of the Housing Element includes quantified objectives for achieving the maximum number of units, by income level, to be constructed, rehabilitated, and conserved over the planning period. Staff has identified the City’s housing needs, surveyed developable parcels, identified financial resources, analyzed constraints, and assessed appropriate programs and policies. As a result of this analysis an estimate was made of the maximum number of units that can reasonably be expected to be developed by the private sector.

### Review of Past Programs in the Previous Housing Element

The City must evaluate the results from housing programs implemented during the previous Housing Element. The review of past programs discusses the progress, effectiveness, and appropriateness of the previous Housing Element goals, objectives, policies, and programs.

# RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029

Page | 10

## Public Participation

Pursuant to California Government Code Section 65583(c)(9), local governments are required to “make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element.” The City’s public participation efforts are outlined in detail in the background section of this staff report as well as within the Housing Element document. Public notices for all community workshops were provided in the Yorba Linda Star with a 1/8-page display ad to ensure greater visibility by the public.

Additionally, staff created a City website (<https://www.ylhousingelementupdate.com/>) specifically for the Housing Element update that included an overview of the Housing Element process, FAQs, review of the City’s housing accomplishments, allowed for citizen input on potential housing sites and to provide any other comments, and to announce future events. The City also released several online and written surveys for Yorba Linda residents to provide input on what they see as the community’s most important housing needs and to provide feedback on their preference for various policy options. Finally, the City provided regular updates on the progress of the Housing Element in the City’s eNewsletter.

## CEQA

The proposed General Plan Amendment would not approve any development project or any other physical change to the environment; therefore, it is covered by the “common sense” exemption (CEQA Guidelines Section 15061(b)(3)) which provides that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Subsequent to the adoption of the Housing Element, amendments to the Zoning Ordinance and Zoning Map will be necessary in order to implement Housing Element programs, and appropriate CEQA analysis and compliance with Measure B (“The Yorba Linda Right-to-Vote Initiative”) will be prepared in connection with those amendments.

## **FISCAL IMPACT**

The cost for the Housing Element update has been covered through the SB 2 Planning Grant and Local Early Action Planning (LEAP) Grant made available through the State Department of Housing and Community Development (HCD). The total grant funding was for \$610,000.

## **ALTERNATIVES**

The City Council could direct staff to make changes to the Housing Element; however, any significant changes to the Housing Element would require resubmitting the Housing Element to HCD for a 90-day review preceded by a mandatory 30-day public comment period. The revised Housing Element would also be required to be reconsidered by the Planning Commission at a public hearing. This would result in the City missing the deadline for the Housing Element due date.

**RESOLUTION NO. 2022- 5781 ADOPTING GENERAL PLAN AMENDMENT 2020-01 – AN  
UPDATE OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2021-2029**

Page | 11

**ATTACHMENTS**

- 1) Resolution No. 2022-5781 (including Exhibit A – Housing Element Update)
-