

PLANNING COMMISSION AGENDA STAFF REPORT



Meeting Date: March 16, 2021

Public Hearing:
Discussion Item:
Consent Item:

March 11, 2021

Agenda Item No.: 6a

TO: CHAIR AND PLANNING COMMISSIONERS

FROM: JOANN LOMBARDO, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: 6th CYCLE HOUSING ELEMENT UPDATE – PUBLIC WORKSHOP #4

RECOMMENDATION

That the Planning Commission hold a public workshop to receive public input, discuss and provide staff direction on the Housing Element Update process.

BACKGROUND/ANALYSIS

HOUSING ELEMENT UPDATE PUBLIC WORKSHOP #3

At the Housing Element Public Workshop #3 on March 2, staff presented information regarding the following topics:

- A summary of the comments received during the first two workshops and responses to those comments
- The seven-step 6th Cycle Housing Element Site Inventory process established by the State Housing and Community Development (HCD) Site Inventory Guidebook (May 2020)
- Continued Review of Potential High Density (“Lower Income”) Housing Sites.

HOUSING ELEMENT UPDATE PUBLIC WORKSHOP #4 DISCUSSION TOPICS

Topics to be discussed at the March 16 Workshop include:

- Chino Hills’ Socio Economic Profile
- Housing Element Goals
- Comments from Housing Element Workshop #3 and Responses
- Potential High Density (“Lower Income”) Site Selection Process

Chino Hills' Socio-Economic Profile

To assist with the preparation of 6th Cycle Housing Elements, the Southern California Association of Governments (SCAG) compiled socio-economic data for each of the local governments within its region. This data includes:

- I. Population, Employment, and Households
- II. Specialized Household Needs: Large Families, Seniors and Female-Headed Households
- III. People Experiencing Homelessness
- IV. People with Disabilities Including Developmental Disabilities
- V. Housing Stock Characteristics
- VI. Overpayment and Overcrowding
- VII. Assisted Units at Risk of Conversion

SCAG Chino Hills' Socio-Economic Profile data collected for Chino Hills is presented in Attachment A. The 6th Cycle Housing Element will use this data to analyze and identify Chino Hills' housing needs. Primary findings of this data include:

- Chino Hills has a 2020 total population of 82,409 including 155 living in group quarters. Between 2000 to 2020, Chino Hills had an annual growth rate of 1.1% compared to 0.7% for the region.
- Chino Hills has 38,704 workers living within its borders who work across 13 major industrial sectors. The most prevalent industry is Education & Social Services with 10,170 employees (26.3% of total) and the second most prevalent industry is Professional Services with 4,619 employees (11.9% of total).
- The most prevalent occupational category in Chino Hills is Management, in which 18,913 (48.9% of total) employees work. The second-most prevalent type of work is in Sales, which employs 9,479 (24.5% of total) in Chino Hills.
- Chino Hills's housing stock consists of 24,374 total units, 18,392 of which are owner-occupied and 5,982 of which are renter-occupied. The share of renters in Chino Hills is lower than in the SCAG region overall.
- The most commonly occurring household size is of two people (30.2%) and the second-most commonly occurring household is of four people (24.4%). Chino Hills has a lower share of single-person households than the SCAG region overall (11.9% vs. 23.4%) and a lower share of 7+ person households than the SCAG region overall (1.7% vs. 3.1%).
- Of Chino Hills's 24,374 total households, 11% are female-headed (compared to 14.3% in the SCAG region), 4.8% are female-headed and with children (compared

to 6.6% in the SCAG region), and 0.2% are female-headed and with children under 6 (compared to 1.0% in the SCAG region).

- 4.5 percent of Chino Hills's households are experiencing poverty, compared to 7.9 percent of households in the SCAG region. In 2018, a single individual under 65 was considered in poverty with a money income below \$13,064/year while the threshold for a family consisting of 2 adults and 2 children was \$25,465/year.
- In Chino Hills, the most commonly occurring disability amongst seniors 65 and older was an ambulatory disability, experienced by 22.6% of Chino Hills's seniors (and 22.9% of seniors in the SCAG region).
- In Chino Hills, 41.2% of the population with a disability is employed, compared to 73.2% of the non-disabled population.
- Out of the total housing units in Chino Hills, there are 24,914 occupied-units, which equates to a 3.6% total vacancy rate. The average household size (as expressed by the population to housing unit ratio) is 3.302.
- Over the past two decades (2000-2020), there has been more construction of single-family residential units than multi-family residential units in Chino Hills. When comparing 2000 to 2020, single family units increased by 2,939, multifamily units increased by 2,556, and mobile homes decreased by -59.
- The time period where the highest share of Chino Hills's housing units were built is 1980-1989, while in the SCAG region more units were built during 1970-1979 than any other period.
- In Chino Hills, 278 units lack telephone service, 11 units lack plumbing facilities, and 203 units lack complete kitchen facilities.
- Between 2000 and 2018, median home sales prices in Chino Hills increased 189% while prices in the SCAG region increased 151%. 2018 median home sales prices in Chino Hills were \$688,000 and the highest experienced since 2000 was \$688,000 in 2018. Prices in Chino Hills have ranged from a low of 103.8% of the SCAG region median in 2006 and a high of 136.2% in 2010.
- In Chino Hills, 492 owner-occupied and 551 renter-occupied households had more than 1.0 occupants per room, which meets the definition for overcrowding. 137 owner-occupied households and 134 renter-occupied households had more than 1.5 occupants per room, which meets the definition for severe overcrowding.
- Housing cost burden is most commonly measured as the percentage of gross income spent on housing, with 30% a usual threshold for 'cost burden' and 50% the threshold for 'severe cost burden.' However, a lower-income household

spending the same percent of income on housing as a higher-income household will likely experience more true 'cost burden.' These data indicate the number of households in Chino Hills by their income relative to the surrounding area and their share of income spent on housing.

Across Chino Hills's 5,982 renter households, 3,141 (52.5%) spend thirty percent or more of gross income on housing cost, compared to 55.3% in the SCAG region. Additionally, 1,214 renter households in Chino Hills (20.3%) spend fifty percent or more of gross income on housing cost, compared to 28.9% in the SCAG region.

- Chino Hills renter households' cash rent paid can be broken down by household incomes. The general trend is that lower-income households spend less on rent while higher-income households spend more on rent, though this may not be universally true. Rent categories range from <\$500/month (0.5% of Chino Hills renters) to >\$2000/month (53.4% of Chino Hills renters). The most common rent category in Chino Hills is >\$2000/month with 53.4% of renters.
- Owner households make up 75.5% of Chino Hills and 52.5% of the SCAG region. The most commonly occurring mortgage payment in Chino Hills is \$2000-\$3000/month and the most commonly occurring mortgage payment in the SCAG region is \$2000-\$3000/mo.

Housing Element Goals

An important part of the Housing Element Update process is to establish Goals and Policies and Action items to implement those goals. As a starting point, the Goals for the existing 2014-2021 (5th Cycle) Housing Element Update are listed below. The full set of Goals, Policies and Action items from the existing Housing Element are included in Attachment B. Staff is requesting that the Planning Commission provide preliminary review of the Goals and suggested changes applicable to the 6th Cycle Housing Element.

- Goal H-1: Provide a Range of Housing Types While Maintaining the City's Overall Low Density Character.
- Goal H-2: Maintain and Enhance the Quality of Existing Residential Neighborhoods.
- Goal H-3: Ensure that New Housing is Sensitive to the Natural Environment.
- Goal H-4: Provide Support Services to Meet the Housing Needs of the City's Residents.
- Goal H-5: Promote and Encourage Housing Opportunities for All Economic Segments of the Community, Regardless of Age, Sex, Ethnic Background, Physical Condition or Family Size.

Housing Element Update Public Workshop Comments

During and following the third Housing Element Workshop, members of the community discussed a variety of issues. Some of these issues were addressed through staff presentations during the Workshop. To summarize these public comments, the comments and staff's responses are listed below:

- Comment: Concern regarding the state mandate to build high density housing throughout the City, and potential impacts related to water shortage due to drought, noise, schools, traffic and parking.
 - Response: Meeting the state mandate for high density housing is a difficult task for Chino Hills. City staff and the Planning Commission are considering all potential sites. The potential impacts of these sites to the Chino Hills community and available infrastructure will be an integral part of site selection process. The state requires that designated housing sites have sufficient access and water, sewer, and dry utilities available. Specific impacts to water supply, traffic, noise and schools will be analyzed as part of the subsequent General Plan update process.

State housing law places restrictions on the City's ability to consider parking when evaluating high density or "lower income" housing sites. Within the constraints established by state law, the City will continue to refer future housing developers to the parking requirements established in the Municipal Code.

- Comment: Recommendation that high density units be spread throughout the City, including Grand Avenue, Chino Avenue near Chino Hills Parkway, Carbon Canyon, and adjacent to Costco and The Shoppes.
 - Response: The site inventory maps presented during the Housing Element Workshops included sites throughout the City, including locations within the vicinity of Grand Avenue, Chino Avenue near Chino Hills Parkway, Carbon Canyon, Costco, and The Shoppes. Attachment C shows locations of all potential housing sites considered during the first three Housing Element Update Workshops.
- Comment: Suggestion that the City consider Aerojet as a potential housing site.
 - Response: As discussed in the March 2nd Housing Element Workshop #3 staff report, the Aerojet property is subject to the state Department of Toxic Substances Control (DTSC) review for required clean up from its past munitions operation. Aerojet's DTSC review status makes the timing of its availability for development uncertain, and consequently, it does not meet the criteria outlined by the state, which requires designated housing sites to be reasonably available for development.

- Comment: Support for rezoning a portion of the Boys Republic site for residential development.
 - Response: As discussed in the March 2nd Housing Element Workshop #3 staff report, the City has informed Boys Republic of the Housing Element update process and requested that they consider adding housing on their site. At this time, Boys Republic has not expressed interest in adding housing to their property.

- Comment: Concern regarding the potential conversion of big box retail stores to high density housing and the loss of revenue associated with that conversion.
 - Response: Commercial centers and their retail stores are a vital part of the Chino Hills community. As online shopping continues to expand, the demand for big box and retail establishments decreases. This change has caused many shopping centers, including some in Chino Hills, to look for alternative uses and designs to maintain their viability. In assigning housing units to designated commercial centers, the City will look to locate the housing on underutilized portions of the center, and to relocate any existing retail store relocated elsewhere in the center or City. Adding residential to commercial centers brings new daytime and nighttime shoppers, and is a popular and successful practice used by many southern California cities to revitalize commercial centers.

- Comment: Concern regarding home development on the open space areas located at Rimrock and Rock Springs and at Chino Avenue and San Rafael Drive.
 - Response: As discussed in the March 2nd Housing Element Workshop #3 staff report, open space properties are held in trust for the public under the “public trust doctrine”, as established by state law. City-owned open space, including the open space area at Rimrock and Rock Springs and at Chino Avenue and San Rafael Drive, have been removed from consideration as potential housing sites.

- Comment: Suggestion that the City consider a 10-acre site in triangular shape between Hidden Oaks Country Club and the county line, in the bottom of Soquel Canyon for multifamily development.
 - Response: The suggested site is approximately 5,000 feet from Carbon Canyon Road, which is the nearest improved road, and has no infrastructure. As noted above, the state requires that designated housing sites have sufficient access and water, sewer, and dry utilities available. The suggested site does not meet the state’s criteria and cannot be considered.

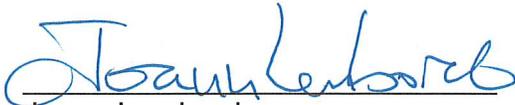
- Comment: Concern about the consequences of systematic racism and that it appears that many of the proposed sites are near Los Serranos. A map should be provided showing potential sites.
 - Response: As discussed during the 3rd Housing Element Update workshop, HCD requires that sites be identified throughout the community in a manner that affirmatively furthers fair housing opportunities. For purposes of the Housing Element site inventory, this means that sites identified to accommodate the lower-income housing need are not concentrated in “low-resourced” areas. HCD defines “low-resourced” areas as those that lack access to high performing schools, lack proximity to jobs, are disproportionately exposed to pollution or other health impacts, or areas of segregation and concentrations of poverty. To identify “low-resourced” areas within a community, HCD recommends the California Tax Credit Allocation/California Department of Housing and Community Development Opportunity Maps, which can be accessed at <https://www.treasurer.ca.gov/ctcac/opportunity.asp>. As shown in the map, all of Chino Hills, with the exception of Chino Hills State Park, is a “high resource” area, meaning all of Chino Hills has access to high performing schools and proximity to jobs, and that Chino Hills does not contain areas that are disproportionately exposed to pollution or other health impacts, or are segregated or contain concentrations of poverty.
- The site inventory maps presented during the Housing Element Workshops included sites throughout the City. (Reference Attachment C.)
- Comment: Suggestion that public transportation lanes be looked at for housing opportunities.
 - Response: In Chino Hills, public streets are the available “public transportation lanes”. Converting public streets to housing could create significant traffic and emergency access concerns, and is not an option being considered during the Housing Element Update process.
- Comment: Concern about Chino Hills’ unique natural environment and the destruction of the City’s beauty.
 - Response: Chino Hills’ natural resources are largely located in its open spaces and hillsides. These are the same areas that generally define Chino Hills’ beauty. As discussed above, the City is not considering conversion of public open space to housing. Chino Hills’ hillsides are areas of steep topography with limited infrastructure and could not support high density housing. The City is not considering conversion of hillside areas to housing.
- Comment: Question regarding if a commercial center is granted mixed use to include residential, would the zoning only allow for housing, and how much of that housing needs to be affordable.

- Response: The City is considering a housing overlay zone that would allocate only a designated portion of a commercial center for housing. The housing overlay would allow the existing commercial center to remain commercial and would provide the opportunity for the designated housing portion to develop as housing. To meet the state requirements, the housing must be built at a density of no less than 20 units per acre. There is no requirement that the housing be sold or rented at rates affordable to “lower income” households.

Potential High Density (“Lower Income”) Site Selection

During the 3rd Housing Element Update Workshop, staff presented a refined list of potential sites for RHNA required High Density (“Lower Income”) housing (Attachment D). The potential site inventory continues to be refined, and staff will be presenting a refined list of sites during Housing Element Workshop #4 (Attachment E).

Respectfully submitted,



Joann Lombardo
Community Development Director

Attachments

- A. SCAG Chino Hills’ Socio-Economic Profile
- B. Existing City of Chino Hills 5th Cycle Housing Element Goals, Policies and Actions
- C. Map of All Potential High Density (“Lower Income”) Sites considered at Housing Element Workshops to Date
- D. Map of Refined List of Potential High Density (“Lower Income”) Sites considered at Housing Element Workshop #3
- E. Map of Continued Refined List of Potential High Density (“Lower Income”) Sites to be considered at Housing Element Workshop #4)