

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



April 11, 2022

Benjamin Montgomery, City Manager
City of Chino Hills
14000 City Center Drive
Chino Hills, CA 91709

Dear Benjamin Montgomery:

RE: City of Chino Hills' 's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Chino Hills' (City) housing element adopted February 8, 2022 and received for review on February 10, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Hills for Everyone pursuant to Government Code section 65585, subdivision (c).

The adopted housing element addresses most statutory requirements described in HCD's September 3, 2021 review; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code), as described below:

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)

Assessment of Fair Housing: As noted in the prior review, the element must include analysis of segregation and integration, concentrated areas of affluence, individual components of access to opportunity and disproportionate housing needs, including displacement risk. While the element was updated with some data, it must still address segregation and integration related to income, the individual components of disparities in access to opportunity (e.g., education, economic, transportation and environmental) and disproportionate housing need

(i.e., overpayment, housing conditions and displacement risk). The analysis should focus on patterns within the City and should particularly focus on the City compared the region, given the City's socio-economic patterns (e.g., income, disparities in access to opportunity) differ from the surrounding areas. For more information, please see HCD's guidance at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

Sites Inventory: The element now generally mentions sites for above moderate, moderate, and lower-income households and concludes identified sites improve fair housing conditions. However, as noted in the prior review, the element should support this conclusion with analysis. The analysis should discuss the magnitude of the impact including the number of units by income group relative to locations or neighborhoods within the City, including any isolation of the Regional Housing Needs Allocation (RHNA) and the analysis should address all components of the assessment of fair housing (e.g., segregation and integration, disparities in access to opportunity, disproportionate housing needs).

Contributing Factors to Fair Housing Issues: The housing element must include an identification and prioritization of significant contributing factors to segregation, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs. The element must (1) identify fair housing issues and significant contributing factors, (2) prioritize contributing factors and (3) discuss strategic approaches to inform and strongly connect to goals and actions. Please see HCD's guidance, including a sample matrix at <https://www.hcd.ca.gov/community-development/affh/index.shtml>.

Goals, Actions, Metrics and Milestones: Based on the outcomes of a complete analysis, the element must be revised to add or modify goals and actions accordingly. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have appropriate specific commitment, metrics, milestones and be specifically targeted toward Affirmatively Furthering Fair Housing (AFFH) outcomes.

- 2. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the

regional housing need for each income level that could not be accommodated on sites identified in the inventory without rezoning... (Gov. Code, § 65583, subd. (c)(1).)

Realistic Capacity: The element now lists various multifamily development by density built and describes how calculation account for various factors including input from property owners. In addition, the element should specifically describe residential capacity assumptions regarding Site 1 (Shoppes II). Assumptions should be adjusted based on the land use controls and site improvements and typical densities of existing or approved residential developments at a similar affordability level.

Suitability of Nonvacant Sites: For your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. While the resolution of adoption includes the appropriate findings, any changes to the analysis should be reflected in future re-adoption of the element.

Electronic Site Inventory: As noted in the prior review, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the City has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

Programs: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element must be revised, as follows:

- *Large Sites*: The element includes one large site (Site 3 – Los Serranos Golf Course) and Site 1 (Shoppes II). Together, these sites account for a large portion of the City’s lower-income RHNA. While the element includes a program to facilitate affordability on large sites, the element should consider a mid-term program to evaluate the effectiveness of these strategies in promoting affordability for lower-income households and make adjustments, as necessary.
- *Policy H-4.2 (City-owned Sites)*: In response to HCD’s prior review, the element now includes specific commitment to facilitate development on

City-owned sites. However, the element should also include a schedule of action to facilitate development on Site 1 (Shoppes II).

3. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

While the element now includes some information on built densities and policy metrics related to minimum densities, it must still analyze the length of time between receiving approval for housing development and submittal of application for building permits. The analysis must address any hinderances on housing development and programs should be added as appropriate

4. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element... (Gov. Code, § 65583, subd. (c).)*

As noted in the prior review, to have a beneficial impact in the planning period and address the goals of the housing element, programs must still be revised with discrete timelines. For example, many programs have timelines of "ongoing" and "continue throughout the planning period". While ongoing and throughout the planning period is appropriate, in addition, these programs should have a timeline such as "at least annually", "annual outreach and identification of opportunities", "apply annually". Please see HCD's prior review for additional information.

5. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate- income households. (Gov. Code, § 65583, subd. (c)(2).)*

Policy H-1.3 Metrics (Facilitate Housing Options) commit to regular contact with affordable housing developers and seek housing options for extremely low-income (ELI) households. This Policy Metric should also clarify when and how often (e.g., annually) the City will contact developers and should commit to additional actions such as prioritizing funding, assisting with funding applications,

offering regulatory concessions and other actions to encourage development. Similar actions could be added to Policy H-4.5 Metrics (See Opportunities for lower-income households).

6. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)*

The element has now revised or added programs to address constraints related to development standards (including parking and heights) and group homes for seven or more persons. However, the element must be revised, as follows:

- *Policy H-1.2 Metric (Appropriate Zoning to Facilitate Development)* now commits to revise various development standards to facilitate development consistent with minimum densities. In addition, this action should clarify that development standards will be revised to facilitate development at maximum densities and mitigate impacts on development costs.
- *Policy H-4.3 (Facilitate Accessible Housing Opportunities)* commits to amend zoning to allow group homes for seven or more persons in areas zoned for multifamily and mixed use. The zoning amendments should also include lower density residential zones, including single family zones.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the above requirements.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of this statutory deadline (October 15, 2021), then any rezoning to accommodate the RHNA, including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. In addition, as noted in HCD's prior review, the City must continue to proactively make future revisions available to the

public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revising the document where appropriate.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

HCD appreciates the hard work and dedication the City's housing element update team provided in preparation of the City's housing element. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Gerlinde Bernd, of our staff, at Gerlinde.Bernd@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall". The signature is stylized and somewhat cursive, with a large initial "P" and "M".

Paul McDougall
Senior Program Manager