



Council Agenda Report

From: Darcy Delgado, Associate Planner

Subject: 2022 Annual Report on the Implementation of the General Plan

CEQA Determination: The City finds that this informational report to the City Council is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378(b)(5). The action is an administrative activity of the City that involves only a report to a State agency on progress regarding the General Plan Implementation. The report does not authorize any development or changes to land use. Thus, the report would not result in any direct or indirect changes to the environment, and consequently, this action is not a project within the meaning of CEQA.

Date: April 18, 2023

Facts

1. California Government Code Section 65400 requires local jurisdictions to prepare an annual report on the status of the General Plan and progress towards its implementation, and the degree to which the General Plan complies with State Office of Planning and Research guidelines. This report will be submitted to the State late April 2023.
2. The Housing Element component of the report must include an assessment of progress made toward meeting the City's share of the Regional Housing Need Allocation (RHNA) and removing government constraints to providing housing for all income levels.
3. The General Plan Annual Report is provided as an attachment to this staff report and is divided into two parts. The first part (Attachment 1) is a table containing brief descriptions of every Action Item of the General Plan, (except those in the Housing Element), with thumbnail descriptions of the status of their implementation. The second part (Attachment 2) is the Housing Element Report, with discussions of progress toward meeting the City's share of the Regional Housing Needs Allocation, and it includes a similar table of Housing Element Action Items and status.
4. The Housing Element Report highlights the number of housing units in plan check, building permits issued, units that are under construction, and the number of units completed in 2022. It also provides a discussion on the housing units proposed, rehabilitated, and/or conserved (e.g., subsidized affordable housing that may be at-risk of being converted to market-rate housing).
5. Lastly, this report provides a brief discussion of issues related to housing development constraints, and proactive initiatives the City is pursuing to remove barriers to construction of housing.
6. The Planning Commission received this report on March 28, 2023, and forwarded it to the City Council with a recommendation to submit to the California Department of Housing and Community Development (HCD).

Options

1. Approve the 2022 General Plan Annual Report, find the report exempt from CEQA under State CEQA Guidelines sections 15060(b)(2), (3), 15378(b)(5), and direct staff to submit the report to the State;
2. Request modifications specified by the City Council for staff to address in the Report;
3. Provide alternative direction to staff.

Analysis and Conclusions

The City's General Plan was adopted in 2003. There have been several amendments to the Plan over the last 18 years, including more recent updates to the Circulation Element, Noise Element, and most recently the Housing Element. The General Plan includes 240 policy action items, not including those in the Housing Element. The City has made substantial progress on implementation of the General Plan, and the status of these actions are as follows:

- 128 actions are ongoing activities
- 83 actions are complete
- 21 actions are in process
- 8 actions are not yet scheduled for implementation -

In early 2019, the City completed a comprehensive update to the Circulation Element and the Bicycle and Pedestrian Master Plan. The Circulation Element update's primary focus was to reassess the planned road improvements in the circulation network and to determine if certain improvements should be modified or eliminated. Various changes that have been incorporated into the Traffic Impact Fee needs list and cost estimates have resulted in a \$50 million dollar reduction to future circulation improvements, which translates into an overall 24% Traffic Impact Fee reduction. This cost savings will not reduce future circulation capacity improvements; rather the City will now have a more focused list of projects that are needed to accommodate City buildout. In addition, the transportation system optimization also reduces the burden of existing residents for the City's share of the needed improvements. In the long run, the system will be less expensive to build and maintain since unneeded projects have been removed.

The Noise Element was also updated in the Fall of 2019 to help better address complaints from noise sources that have increased in the last several years as a result of new trends seen with the music venues and short-term rentals. The key changes of the Noise Element update included revised noise standards for the community, new goals and policies acknowledging noise associated with Short-Term Rentals (STRs), and new goals and policies specifically targeted at concert and other entertainment venues.

In December of 2020, the City updated its 6th Cycle Housing Element, which has an eight-year planning period from 2021 through 2028. Key changes to the Housing Element include new policies and programs that identify the actions that will be taken to make sites available during the new planning period with appropriate land use and development standards and with services/facilities to accommodate the City's share of regional housing need for each income level. Some of the more notable programs that stand out in the Housing Element include updating the City's Accessory Dwelling Unit (ADU) Ordinance to promote construction of ADUs, reducing parking standards for smaller units located outside the Uptown/Town Centre Specific Plan, and utilizing fractional density units to encourage smaller units that are affordable by design.

Housing Production

The status of housing production and entitlement activity in 2022 is provided below:

Activity	Single Family Units	Accessory Dwelling Units	Multi-Family Units	Total
Issued Certificates of Occupancy	24	12	16	52
Units built in Uptown/Town Center Specific Plan Area	0	8	14	22
Units under construction	45	28	231	304
Units in plan-check	23	23	171	217
Units entitled	2	3	83	88

Regional Housing Needs Allocation

The purpose of the housing report is to monitor the implementation of the City's General Plan Housing Element and progress toward meeting the City's Regional Housing Needs Allocation (RHNA). The State Regional Housing Needs Allocation target requirement for the prior (5th Cycle) 2014-2019 planning period required the City to plan for 492 dwelling units. Under the new 6th Cycle, which has a planning period from January 1, 2019 to December 31, 2028, the City is required to plan for 1,446 dwelling units. It should be noted that Housing Element law does not require the City to ensure that the numbers of dwelling units identified in the RHNA are built within the planning period. The law does, however, require that the City provide an inventory of land suitably zoned and with available infrastructure and utilities to meet that need.

Because the planning period for the new RHNA cycle began in 2019, units built in both 2019 and 2020 have been counted towards the 6th Cycle RHNA. Details of the number of units that have received a Certificate of Occupancy during the current planning period compared to the RHNA requirements is shown in the table below.

Income Level	6 th Cycle RHNA Allocation	Completed Units by Affordability					Total Units by Income Level	Total Units Remaining by Income Level
		Year 1 (2019)	Year 2 (2020)	Year 3 (2021)	Year 4 (2022)	Years 5- 10 (2023- 2028)		
Extremely Low & Very Low	356	52	54	0	0	-	106	250
Low	224	23	27	8	6	-	64	160
Moderate	259	90	18	14	22	-	144	115
Above Moderate	607	14	11	10	24	-	59	548
Total Units	1,446	179	110	32	52	-	373	1,073

Housing Constraints and Opportunities Committee

The Housing Constraints and Opportunities Committee (HCOC) was established as part of the 2014 Housing Element. The Committee is appointed by the City Council to review housing issues and make recommendations to the City Council on ways to increase housing production. The HCOC has been instrumental in moving forward initiatives, including tailoring fees to unit size to reduce fees for smaller units, substantially reducing of water/sewer charges for new residential construction, and producing a Circulation Element update that resulted in a 24 percent reduction in the transportation impact fee associated with elimination of certain planned improvements.

During the process of updating the 6th cycle General Plan Housing Element, the HCOC met five times to discuss housing issues, identify potential sites and strategies to meet the RHNA, review best practices, provide guidance on potential Housing Element policies and implementing programs, and discuss future housing initiatives.

The HCOC's efforts resumed in 2022 to move forward implementation of the programs identified in the 6th cycle Housing Element. In total, the HCOC met two times during the year. Topics discussed by the HCOC included further review of the boundaries of the Uptown/Town Centre Specific Plan for potential to expand the T-zones as well as reviewing the City's progress on the Comprehensive Update to the Zoning Code, which is expected to be complete by Fall 2023. For the latter, the HCOC will continue receiving updates on this action item to help facilitate discussions should there be topics that affect housing policies and procedures for increasing housing production.

Specific Plan Progress

Both the Beechwood Specific Plan and the Olsen South Chandler Ranch Specific Plans were approved in 2020. The Beechwood plan consists of 952 housing units within an overall 234-acre master planned community on the east side of the City. The Olsen South Chandler Ranch Specific Plan consists of 1,293 new residences on approximately 358 acres, also located on the east side of the City.

Grading for the Olsen South Chandler Ranch Specific Plan began in 2022 and the developers are currently working toward finalizing their improvement plans and subdivision maps, which will in turn allow the developers to begin construction of housing. The Beechwood specific plan is still working on their tentative subdivision maps, and they have grading and improvement plans for Phase 1 currently in review.

Summary of Progress & Issues

- Out of the 240 General Plan policy action items (not including the Housing Element), 97 percent are completed, ongoing, or are in the process of being completed.
- The City is tracking progress with the 6th Cycle (2021-2028) Housing Element including progress on new Action Items.
- The City has a 6th Cycle RHNA assignment of 1,446 residential units to be constructed between January 1, 2019 and December 31, 2028. To date, there have been 373 units constructed, or 26% units completed.
- As of December 31, 2022 there were 52 completed residential units, 304 residences under construction, and 217 residential permits either ready to pick up or in plan-check.
- Overall housing development saw an increase in the number of residential units in which permits were issued and/or under construction during 2022, representing a 322% increase since 2021.
- Multi-family residential units represented the majority of permit types both in plan check and under construction, which can be attributed to the two affordable housing projects that were in plan check and the 200-unit market-rate project (Arrive Apartments next to Food 4 Less) that is under construction.
- There was a total of 88 residential units that were entitled during 2022. Included in this count is the 69-unit affordable housing project (“Sunrise Villas”) that will provide deed restricted low-income multifamily housing.
- The Housing Constraints and Opportunities Committee made substantial progress in prior years to reducing barriers to housing development, including reducing one of the most significant development impact fees (e.g., transportation fees) and making a recommendation to City Council to reduce those fees as part of the City’s comprehensive update to the Circulation Element which was adopted in early 2019. In 2022, the HCOC met two times. Topics discussed by the HCOC included further review of the boundaries of the Uptown/Town Centre Specific Plan for potential to expand the T-zones as well as reviewing the City’s progress on the Comprehensive Update to the Zoning Code. The HCOC is expected to resume meetings in 2023 to continue receiving updates on the Comprehensive Update to the Zoning Code.

Fiscal Impact

None.

Recommendation

Approve the 2022 General Plan Annual Report, determine the action is exempt from CEQA for the reasons set forth herein, and direct staff to submit it to the California Department of Housing and Community Development.

Attachments

1. General Plan Action Items status report
2. General Plan Housing Element status report