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ARNOLD SCHWARZENEGGER, Governor

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

1800 Third Street, Suite 430 P. O. Box 952053 Sacramento, CA 94252-2053 (916) 323-3177 / FAX (916) 327-2643 www hod ca gov



December 23, 2008

Mr. John Sprague Community Development Director City of Roseville 311 Vernon Street Roseville, CA 95678

Dear Mr. Sprague:

RE: Review of the City of Roseville's Draft Housing Element

Thank you for submitting Roseville's draft housing element received for review on October 24, 2008 along with additional revisions received on December 22, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A meeting with Ms. Jan Shonkwiler, Housing Programs Manager, Ms. Elisa Reynolds, Associate Planner, and Ms. Carol Stuart, the City's consultant, facilitated the review.

The Department commends Roseville on its commitment to assist in the development of housing affordable to lower-income households through the successful disbursement of community funds, offering regulatory incentives to promote project feasibility, and fostering partnerships with developers and land owners to ensure the City is meeting its affordable housing goals. The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include complete analyses of identified sites, zoning for a variety of housing types and potential governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department would be happy to arrange a meeting in either Roseville or Sacramento to provide any assistance needed to facilitate your efforts to bring the element into compliance. If you have any questions or would like assistance, please contact Melinda Cov. of our staff, at (916) 445-5307.

Sincerely.

Cathy E. Creswell Deputy Director

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Enclosure

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cc: Jan Shonkwiler, Housing Programs Manager, City of Roseville

HOUSING

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## APPENDIX

#### CITY OF ROSEVILLE

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HOUSING

The following changes would bring Roseville's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at <a href="https://www.hcd.ca.gov/hpd">www.hcd.ca.gov/hpd</a>. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool Building Blocks for Effective Housing Elements (Building Blocks) available at <a href="https://www.hcd.ca.gov/hpd/housing\_element2/index.php">www.hcd.ca.gov/hpd/housing\_element2/index.php</a>, the Government Code addressing State housing element law and other resources

#### A Housing Needs, Resources, and Constraints

1. Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 6558'3(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 68583.2).

Roseville has a regional housing need allocation (RHNA) of 8,933 housing units, of which 4,497 units are for lower-income households. To address this need, the element relies primarily on remaining capacity within existing specific plans, voluntary rezones of residential sites, and the approval of the Downtown Specific Plan. However, to demonstrate the adequacy of these sites and strategies to accommodate the City's share of the RHNA, the element must include complete analyses, as follows:

Progress Toward the RHNA: The element indicates 318 units affordable to low- or moderate-income households have been approved or constructed since 2006 of which 111 units are affordable to lower-income households (page 9). To credit units toward the City's share of the RHNA, the element must demonstrate the affordability based on actual rents or sales prices or other mechanisms ensuring affordability. For example, the element should describe the number of units credited towards the RHNA secured though the City's Affordable Housing Agreements.

<u>Sites Inventory</u>: While the element provides a parcel-specific inventory of available sites within each specific plan by general plan designation, size, and capacity, Table X-24 must be revised to also identify zoning.

Specific Plans: The element significantly relies on available capacity in specific plans to accommodate the RHNA. According to page 28, each specific plan contains parcel specific obligations pursuant to a development agreement. To demonstrate the adequacy of these sites, the element should describe any requirements for unit types, affordability, phasing, or other timing requirements that impact development potential in the planning period. For example, the analysis should be expanded to specifically describe the affordability requirements including a description of how these requirements are implemented and indicate if the agreements impose a limit on the number of units which can be designated as affordable to lower-income households. In addition, the element must also describe related development standards and processing requirements for projects within the specific plan.

In addition, the element indicates a portion of the remaining housing need will be accommodated within the Riverside Gateway Specific Plan (page 51). However, it is unclear whether the City is relying on additional capacity within this specific plan beyond the sites identified (page 39). Any additional capacity beyond the seven units must be accounted for in the sites inventory on a parcel-specific basis.

Shortfall of Sites to Accommodate RHNA: The element indicates there is a shortfall of sites to accommodate the City's remaining RHNA. To address this shortfall, the City proposes to complete the identified "voluntary rezones" and adopt the Downtown Specific Plan which will allow a mix of residential and commercial uses. To demonstrate the adequacy of these strategies the element must include the following:

Voluntary Rezoning: The element estimates additional capacity for 2,864 units will be made available through the City's voluntary rezone program. The element should identify the sites in Table X-24 which will be rezoned, clarify when the rezones are expected to be completed, and identify any pending projects proposed for the identified sites. For your information, as the City is relying on the rezoning of these sites to accommodate a shortfall of sites to accommodate low-income households pursuant to Government Code Sections 65583(a)(3) and 65583.2, the element must demonstrate these sites will permit owner-occupied and rental multifamily uses by-right, with minimum density and development standards that permit at least 16 units per site at a density of at least 20 units per acre

Downtown Specific Plan: The element estimates an additional 297 housing units will be accommodated within the existing Riverside Gateway Specific Plan and the proposed Downtown Specific Plan. In order to demonstrate sufficient capacity within the proposed Downtown Specific Plan to accommodate the RHNA within these specific plans, the element must provide a parcel-specific listing of sites which could accommodate the remaining housing need. For example, the element could identify sites with opportunities for lot consolidation or specific catalyst sites which could accommodate housing within the planning period.

Where the inventory identifies non-vacant sites, the element must also include a description of the existing uses of each of the identified sites and analyze the extent to which those uses may impede additional residential development. In addition, the element must also include a description, relative to identified sites, of development trends, market conditions and regulatory incentives and standards to facilitate redevelopment or reuse. This analysis could utilize interest from property owners, applications in the planning stage or recent redevelopment activity. This information could describe recent characteristics and circumstances leading to redevelopment, such as discontinuing uses, and could be compared to the identified sites to demonstrate their suitability in the planning period.

Realistic Capacity: While the element states development potential is calculated on maximum allowable densities based upon a survey of development trends, the analysis must demonstrate the estimate was adjusted to account for land-use controls and site improvement requirements. For example, the analysis should address whether the cumulative imposition of development standards, such as maximum lot coverage, height, open space, parking, FARs, and site improvement requirements impede the ability to achieve maximum densities.

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Furthermore, for sites zoned for mixed-use, the residential capacity analysis must account for the potential development of non-residential uses and could consider any performance standards such as those mandating a specified portion of a mixed-use site be non-residential (i.e., first floor, front space as commercial) when estimating the potential residential capacity.

Sites with Zoning for a Variety of Housing Types: The housing element must demonstrate the availability of sites, with appropriate zoning, that will encourage and facilitate a variety of housing types, including single-room occupancy (SRO) units, and emergency shelters. An adequate analysis should, at a minimum, identify whether and how zoning districts explicitly allow the uses, analyze whether zoning, development standards and permit procedures encourage and facilitate these housing types. If the analysis does not demonstrate adequate zoning for these housing types, the element must include implementation actions to provide appropriate zoning.

SROs: While the element indicates SROs are conditionally permitted in the CBD, CMU, and HD zones, it must also demonstrate how the City's permit processing procedures, development standards, and standard conditions of approval encourage and facilitate the development of SROs.

Emergency Shelters: The element includes a program to allow emergency shelters byright in the MP Industrial/Business Park zone pursuant to Chapter 633, Statutes of 2007 (SB 2). To demonstrate sufficient capacity within the MP zone, the element should also include a brief description of the availability (e.g., vacant, re-use potential, etc.) of the identified sites to accommodate an emergency shelter. The element should also demonstrate that existing or proposed permit processing, development, and management standards encourage and facilitate the development of, or conversion to, emergency shelters. In addition, the element should ensure Roseville's existing Temporary Resident Shelter Ordinance (page 76) does not conflict with the implementation of the City's Emergency Shelter Ordinance (SB 2) Frogram (page 27).

2 Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove government al constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(5)).

Land-Use Controls: While the element describes typical development standards for residential zones, it should also describe and analyze the development standards for the mixed-use development including any performance standards and permitted uses as they apply to the development of housing.

Local Processing and Permit Procedures: While the element gene ally describes processing timelines for varying discretionary approvals (page 119), it must include a description of total typical processing procedures and timeframes for both single and multi-family housing. This description should also describe processing requirements for development within the specific plans. DEC 2 3 2008

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#### **B.** Housing Programs

1. Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).

As noted in finding A1, the element does not include a complete site analysis and 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. At a minimum, the element should be revised as follows:

Voluntary Rezone Program (page 50): Roseville is relying on the successful
completion of a number of voluntary rezones to accommodate a portion of the
housing need for lower-income households. As these rezones are necessary to
accommodate the remaining RHNA for lower-income households, the program must
be revised to comply with Government Code Section 65583.2(h)

For your information, where the inventory does not identify adequate sites pursuant to Government Code Sections 65583(a)(3) and 65583.2, the element must provide a program to identify sites in accordance with subdivision (h) of 65583.2 for 100 percent of the remaining lower-income housing need with sites zoned to permit owner-occupied and rental multifamily uses by-right during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 20 units per acre. Also, at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses.

- Downtown Specific Plan (page 54): As the City is relying on the Downtown Specific Plan to accommodate a portion of the RHNA shortfall for lower-income households, the program should be revised to identify specific, suitable sites which could accommodate the remaining housing need by a specific date and demonstrate density standards and permitting requirements comply with Government Code Section 65583.2(h), described above.
- Pursuant to SB 2, transitional and supportive housing, regardless of the zone, must be treated as residential uses subject only to the same permitting processes as other housing in similar zones without undue special regulatory requirements. The *Emergency Shelter Ordinance Program* (page 27) indicates the City will revise the Zoning Ordinance to only allow transitional and supportive housing by the same in the R-3 zone, but should be revised to treat transitional and supportive housing as residential uses regardless of the zone, to comply with 3 2008 State law.

2. The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).

As noted in finding A2, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.

### C. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)(7)).

While the element provides a detailed listing of organizations and individuals notified regarding workshops for the housing element update, it should also describe the success of these efforts including how comments received were incorporated into the housing element. During the period between this draft element and the adoption of the final housing element, the City should continue to involve the public, including lower- and moderate-income individuals and/or their representatives, in the development of the final element.

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