



**STAFF REPORT**  
**7/26/2023**

**TO:** Planning Commission Chair and Commissioners

**FROM:** Gabriel Perez, Development Services Director

**SUBJECT:** City of Coachella 6<sup>th</sup> Cycle Housing Element General Plan Amendment No. 21-02 and Environmental Assessment No. 22-03 for consideration of the City of Coachella 6<sup>th</sup> Cycle Housing Element for 2021-2029. City-Initiated.

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**STAFF RECOMMENDATION:**

Staff recommends that the Planning Commission:

1. Adopt Resolution No. PC2023-21 recommending that the City Council adopt a negative declaration for adoption of the 2021-2029 Housing Element and approve General Plan Amendment No. 21-02 amending the City of Coachella 2035 General Plan for adoption of the 2021-2029 Housing Element.

**BACKGROUND:**

The City Council adopted the Coachella General Plan 2035 on April 22, 2015, that established the goals, policies, and implementation strategies that will implement the vision for the City of Coachella. The Housing Element is one of seven mandatory elements of a city's General Plan. The purpose of the Housing Element is to identify and analyze existing and projected housing needs in an effort to preserve, improve and develop housing for all economic segments of the community in accordance with state law. It is the only general plan element for which State certification is required. State law requires that Housing Elements be updated periodically, pursuant to legislative action, depending on the region. As a jurisdiction of the Southern California Association of Governments (SCAG) region, the City of Coachella is required to adopt its updated Housing Element within 120 days of October 15, 2021 that covers the planning period October 2021 through October 2029 (by February 15, 2014). SCAG received a housing need of 1,341,827 units distributed to the 197 SCAG jurisdictions. Jurisdictions that do not have a compliant housing element by the October 15, 2021 deadline may be ineligible to apply for State grants.

The existing Housing Element was adopted by the City and certified by the State Department of Housing and Community Development (HCD) in April 2014. The current draft Housing Element commenced in early 2021. Since that time, the City has engaged in a series of consultations, workshops, and meetings with housing advocates, developers, local service providers, neighborhood associations, and the community-at-large to solicit input regarding the Element and

issues related to its implementation. Staff has worked with HCD to prepare edits to the draft Housing Element to address the state's comments and questions.

### **DISCUSSION/ANALYSIS:**

The proposed Housing Element update outlines the City's housing policies, goals and objectives for the eight-year planning period from 2021 through 2029. A copy of the draft Housing Element is found as Exhibit B to this report. The updated Housing Element addresses the following topics as required by State law:

- Population growth and employment trends
- Household characteristics
- Housing costs and vacancy rates
- Inventory of available residentially zoned land
- Governmental and non-governmental constraints to housing production
- Special housing needs (persons with disabilities, homeless, female heads of households and seniors)
- Energy conservation measures
- Existing affordable housing developments
- Review and evaluation of the previous Housing Element (2008 - 2013)

### **Organization of Housing Element**

Per California Government Code §65580-65589, a housing element must consist of the following components:

- **Review of the Previous Housing Element:** An evaluation of the results of the goals, policies, and programs adopted in the previous Housing Element that compares projected outcomes with actual achieved results. (See Appendix D).
- **Housing Needs Assessment:** An analysis of the existing and projected housing needs of the community. It provides a profile of sociodemographic information, such as population characteristics, household information, housing stock, tenure, and housing affordability. The assessment also considers local special housing needs, such as, seniors, farmworkers, homeless, large households, and female-headed households. (See Appendix A)
- **Inventory of Adequate Sites:** An inventory listing adequate sites that are suitably zoned and available within the planning period to meet the City's fair share of regional housing needs across all income levels. (See Appendix B).
- **Housing Resources:** An identification of resources to support the development, preservation, and rehabilitation of housing.
- **Housing Constraints:** An assessment of impediments to housing production across all income levels covering both governmental (e.g., zoning, fees, etc.) and nongovernmental (e.g., market, environmental, etc.). (See Appendix C).
- **Affirmatively Furthering Fair Housing:** This section provides an assessment of fair housing by identifying disparities in housing needs, unequal access to opportunity, and/or patterns of racial and ethnic segregation, a process referred to as affirmatively furthering fair housing (AFFH).

- **Housing Plan:** This section provides a statement of the community’s goals, quantified objectives, and policies to maintain, preserve, improve, and develop housing, as well as a schedule of implementable actions to be taken during the planning period to achieve the goals, objectives, and policies.

Review of Previous Housing Element for Reporting Period 2014-2021

For the period of 2014-2021, the City of Coachella had a RHNA of 6,771 units, 2,614 of which are for lower-income households. The City’s focus during the 5<sup>th</sup> cycle was to complete the 4<sup>th</sup> and 5<sup>th</sup> Cycle shortfall rezonings to ensure adequate capacity for housing development. The City completed the 4th Cycle rezoning program in 2019, by adopting Ordinance No. 1143, which rezoned portions of “Zona Central” to RM-Urban and RM- General for capacity of 1,916 units for lower-income units. In 2021, the City completed two separate rezoning projects with realistic unit potential of 2,781 in new RM- Urban and RM- General zones.

In addition, the City has actively worked with for profit and non-profit developers to entitle a variety of market rate and affordable projects. Market rate products include single-family products at Valencia at Coachella, Escondida Pointe, Sevilla, and Mariposa Pointe. In 2020, the City approved Pueblo Viejo Villas of 108 affordable apartment units. Placita Dolores Huerta by Community Housing Opportunities Corporation (CHOC) was approved in 2020 and the affordable housing project includes 50 replacement units and 60 new units over two phases.

Housing Needs Allocation Site Inventory (2021-2029)

The City has an existing RHNA allocation of 7,886 units distributed among a variety of affordability, Table 1, for the period 2021-2029 that the City must create a regulatory environment in which the private market could build these housing units.

Table 1: 6<sup>th</sup> Cycle RHNA

Area/Income	Coachella		Riverside County		SCAG	
	Number of Units	Percent	Number of Units	Percent	Number of Units	Percent
<b>Total</b>	<b>7,886</b>	<b>100%</b>	<b>167,351</b>	<b>100%</b>	<b>1,341,827</b>	<b>100%</b>
Extremely Low <sup>1</sup>	516	13%	41,995	25%	351,796	26%
Very Low (30-50% MFI)	517					
Low (50-80% MFI)	999	13%	26,473	16%	206,807	15%
Moderate (80-120% MFI)	1,367	17%	29,167	17%	223,957	17%
Above Moderate (>120% MFI)	4,487	57%	69,716	42%	559,267	42%

<sup>1</sup> Assumes 50% of Very Low-income households are Extremely-Low income.  
Coachella City Median Income 4-person household: \$34,224, Riverside County Median Income 4-person household: \$67,005

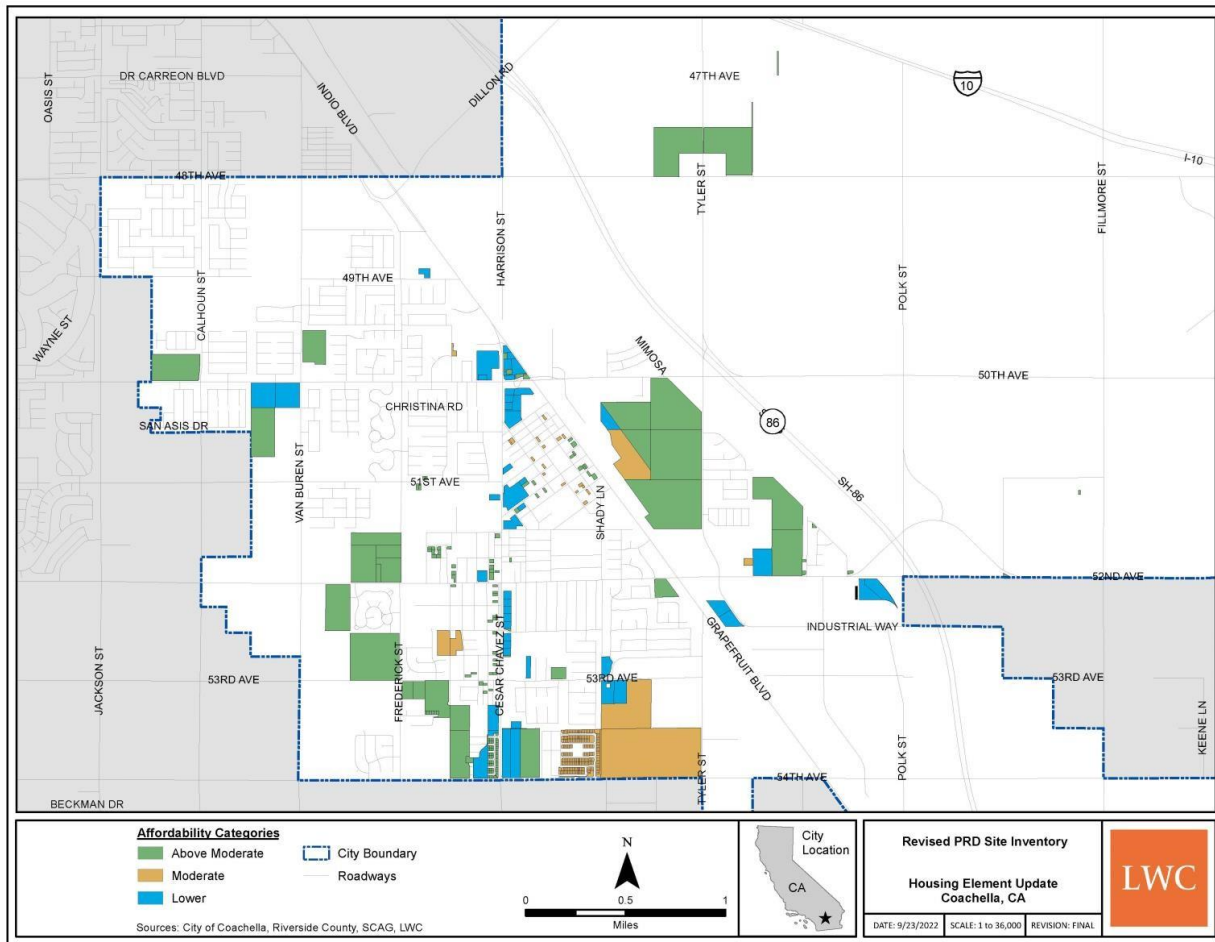
A housing site inventory was conducted to identify the ability of the City to meet the RHNA allocation. The site inventory explored two scenarios (Table 2): Scenario #1 - Existing Zoning Capacity and Scenario #2 - General Plan Potential Capacity. Under Scenario #1, the existing zoning districts the capacity for residential units would result in a shortfall in 1,759 low-income units and 441 above moderate income units and a surplus of 845 units for moderate income households. Under Scenario #1, a rezoning program would be necessary to accommodate the RHNA allocation.

Under Scenario #2, the residential capacity was analyzed using the distribution of land use under the general plan, which expands residential opportunities into new portions of the City and increases maximum allowed density. The Planning Commission recently approved a Zoning Consistency Update, which upon City Council approval on July 26, 2023 would allow the City to implement Scenario #2. Initial results for the site inventory under Scenario #2 identified several hundred parcels eligible for residential development with over 30,000 potential units possible. The sites were screened further to focus on the most eligible development sites. Under Scenario #2, 2,345 low-income units (586 unit surplus) and 1,468 moderate income units (101 unit surplus) and 6,190 above moderate income units (2,538 unit surplus) can be accommodated with a total surplus of 3,225 units. Figure 1 (below) identifies the site inventory map under Scenario #2.

**Table 2: Residential Development Potential and RHNA**

	Extremely Low, Very Low, and Low	Moderate	Above Moderate	Total
<b>RHNA</b>	<b>2,032</b>	<b>1,367</b>	<b>4,487</b>	<b>7,886</b>
Entitled/Proposed Projects <sup>1</sup>	273		835	1,108
<b>Remaining RHNA</b>	<b>1,759</b>	<b>1,367</b>	<b>3,652</b>	<b>6,778</b>
<b>Site Inventory Results</b>				
Scenario 1 – Existing Capacity (Zoning Code)		2,212	3,211	<b>5,423</b>
Remaining- Zoning Scenario	1,759	-845 <sup>2</sup>	441	
Scenario 2 – Potential Capacity (General Plan) <sup>3</sup>	2,345	1,468	6,190	<b>10,003</b>
Remaining- General Plan Scenario	-586 <sup>2</sup>	-101 <sup>2</sup>	-2,538 <sup>2</sup>	<b>-3,225</b>
<sup>1</sup> Considers net new units only. <sup>2</sup> Negative value indicates a surplus. <sup>3</sup> Requires rezoning, see Programs 1.1, 1.2, and 1.3.				
Source: City of Coachella, LWC 2022				

Figure 1: 6<sup>th</sup> Cycle Housing Element Site Inventory Map by Income Category for General Plan Scenario



### Housing Plan

The Housing Plan of the Housing Element serves as the City’s strategy for addressing its housing needs and identifies goals, policies, and programs. Below are a list of the Housing Plan Goals as well as some notable policies and programs:

- Goal A: Facilitate the Development of a Variety of Housing Types to Provide Adequate Housing in the City to all Households
  - Program 1.1 General Plan Implementation: .. the City will review the prior completed study that analyzed changes needed to the Zoning Code and revise as necessary to complete a comprehensive Zoning Code update.
- Goal B: Conserve and Improve the Condition of the Existing Housing Stock
  - Policy a) Rehabilitation Funds. Continue to use available state and federal funds for housing rehabilitation, in a manner that will benefit the largest number of lower-income households, including those with extremely and very low income.
- Goal C: Encourage Energy Conservation to Reduce Housing Costs

- Program 23.3 Water Conservation. Assist in distributing information to the public regarding free home water consumption audits of the Coachella Water Authority and rebate programs offered by Imperial Irrigation District.
- Goal D: Promote Fair Housing Opportunity for All Persons [regardless of race, religion, marital status, age, sex, gender, nationality, physical or developmental disability, family size, and level and source of income]
  - Program 4.2 Reasonable Accommodation. Adopt a “Reasonable Accommodation” procedure, in accordance with SB 520, as part of the updated Zoning Code to allow for administrative processing of requests for features and accessibility for persons with disabilities and persons with developmental disabilities.
- Goal E: Remove Constraints to the Maintenance, Improvement, and Development of Housing
  - Program 5.5 Accessory Dwelling Units (ADUs). Amend the Zoning Code to remove references to second units and regulate with the City’s ADU ordinance, which complies with state law regarding ADUs.
  - Program 5.12 Objective Design Standards. Develop objective design standards and clear findings to evaluate projects for compliance with the Architectural Review and Conditional Use processes. This effort will evaluate existing subjective standards required for approval in both the Zoning Code and specific plans. The purpose of these standards is to expedite the development review process and support the City in meetings its housing goals.
- Goal F: Promote Affordable Housing to Meet the Needs of Lower- and Moderate Income Households
  - Program 6.7 Streamlined Approvals. Develop a written policy or project review and approval guidelines as appropriate to specify the SB 35 (2017) streamlining approval process and standards for eligible projects, as set forth under California Government Code, Section 65913.4.
- Goal G: Preserve Existing Affordable Housing Opportunities for Lower Income Residents of the City
  - Program 7.1 Housing Choice Vouchers. Actively support the Riverside County Housing Authority’s attempts to secure additional Section 8 Housing Choice rental assistance for extremely low-, very low-, and low-income households.

The City of Coachella is responsible for implementation of the Housing Plan Programs for the 2021-2029 period and will need to report progress towards these goals in the Annual Progress Report that the City prepares annually for the City Council for submission to the HCD.

### Public Outreach

As part of the development of this Housing Element, the City’s public participation program included two focus group meetings, four steering committee meetings, one community-wide meeting, one public hearing with the Planning Commission, and one public hearing with the City Council.

- Focus Groups

Two focus groups were organized with eight participants representing developers and housing advocates. Invitations were sent to 51 individuals.

- Focus Group #1: Wednesday, April 21, 2021, 5:00 pm – 6:00 pm
- Focus Group #2: Friday, April 23, 2021, 1:30pm – 2:30pm
  
- Steering Committee  
The City formed a housing element steering committee consisting of 8 members (Alianza – Sahara Huazano, Housing Authority of the County of Riverside - Michael Walsh, Lift to Rise – Taylor Libolt Varner and Ian Gabriel, Our Lady of Soledad – Deacon Fernando Heredia, Strategic Land Partners - Jim Kozak, Ana Perez Real Estate – Ana Perez, Pulte Homes - Daniel Wozniak, Chelsea - Dave Davis. The committee meetings took place July 26, 2021, August 16, 2021 and August 27, 2021.
  
- Community Event  
On October 14, 2021, the City of Coachella hosted a virtual public workshop for the 6th Cycle Housing Element Update project.
  
- An Online Survey was made available for the community in the Fall of 2021 with a deadline of November 11, 2021.
  
- Joint Study Session of City Council and Planning Commission November 8, 2021.
  
- Public Drafts of the Housing Element  
Drafts of the Housing Element are required to be made available to the public for a 7-day period before submission to HCD at the Coachella Library and the City website.
  - 1<sup>st</sup> Public Review draft available September 20 and sent to HCD on September 28, 2021. The City received a HCD response letter November 24, 2021.
  - 2<sup>nd</sup> Public review draft made available on September 30, 2021 and sent to HCD October 10, 2021
  - 3<sup>rd</sup> Public Review draft made available September 2022 and sent to HCD September 2021.
  - 4<sup>th</sup> Public Review draft made available June 5, 2023 in response HCD December 9, 2022 comment letter and sent to HCD June 14, 2023.

### SB 18 Tribal Consultation

The City sent correspondence to tribal governments in compliance with Senate Bill 18 tribal consultation requirements beginning August 8, 2022 and ending November 6, 2022. No tribal governments requested consultation regarding the proposed Housing Element Update.

### ENVIRONMENTAL REVIEW:

An Environmental Initial Study recommending the adoption of a Negative Declaration was prepared for the 6th Cycle Housing Element update. There were no potentially significant impacts identified and no mitigation measures recommended for any of the environmental factors analyzed.

The Housing Element is a policy document that is not tied to any specific development proposal, and as such does not create any direct physical changes to the environment.

A Notice of Intent to Adopt a Negative Declaration was distributed to local agencies for 20-day review and comment period on October 20, 2022 and ended November 8, 2022. The notice of Intent was posted with the County Clerk on October 19, 2022. No written comments have been received as of the date that this staff report was written. The Planning Commission must find adequacy in the environmental documents as part of reviewing the initial draft Housing Element.

**ALTERNATIVES:**

- 1) Adopt Resolution No. PC2023-21 recommending that the City Council adopt a negative declaration (EA No. 22-03) for adoption of the 2021-2029 Housing Element and approve General Plan Amendment No. 21-02 amending the City of Coachella 2035 General Plan for adoption of the 2021-2029 Housing Element.
- 2) Adopt Resolution No. PC2023-21 recommending that the City Council adopt a negative declaration (EA No. 22-03) for adoption of the 2021-2029 Housing Element and approve General Plan Amendment No. 21-02 amending the City of Coachella 2035 General Plan for adoption of the 2021-2029 Housing Element.*with amendments.*
- 3) Recommend denial of Resolution No. PC2023-21.
- 4) Continue this item and provide staff with direction.

**RECOMMENDED ALTERNATIVE(S):**

Staff recommends Alternative #1 as noted above.

Attachment:

1. Resolution No. PC2023-21, EA No. 22-03 General Plan Amendment No. 21-01  
Exhibit A – Negative Declaration (EA No. 22-03) for the 6<sup>th</sup> Cycle Housing Element of the City of Coachella  
Exhibit B – Draft 6<sup>th</sup> Cycle Housing Element of the City of Coachella
2. November 8, 2021 Joint Study Session of City Council and Planning Commission Presentation Slides