



CITY OF DEL REY OAKS

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DATE: August 22, 2023
TO: City Council Members
John Guertin, City Manager
FROM: Denise Duffy, DD&A, Housing Element Planning Consultant
SUBJECT: Status Report Housing Element Updates

6th Cycle Housing Element Update

The following provides a status report on the 6th Cycle Housing Element Updates (HEU) process.

City of Del Rey Oaks 6th Cycle Background

The Regional Housing Needs Allocation (RHNA) for the 6th Cycle was confirmed in October 2022. RHNA is mandated by state law and quantifies needed housing within each jurisdiction during the specified planning periods or cycles. The 6th cycle RHNA for the City is 184 units, with assigned 53.26% for low and very-low income (98 units). On March 28, 2023, the City Council approved a contract for DD&A to undertake the needed work to complete the City's 6th Cycle Housing Element Update. A series of workshops and public meetings were held in March, May, and July 2023 as more fully described below. Information was also provided to the Planning Commission and City Council via status reports from the City Manager, and written status reports on the progress of the Update process.

Housing Element Contents

Key components of the housing element are set forth under State law (California Government Code Sec. 65583 et seq) and related land use regulations related to housing. The Draft 6th Cycle Housing Element will include the following components:

1. **Background Information:** A housing needs assessment which identifies and analyzes the existing and projected housing needs within the City by examining demographic, employment, and housing trends and conditions, with attention paid to special housing needs (e.g., seniors, large families, persons with disabilities).
2. **Constraints on Housing Analysis:** An analysis of existing and potential governmental and nongovernmental barriers to housing development.
3. **Housing Resources:** An inventory of resources relevant to meeting the City's housing needs, including a sites inventory for available land to accommodate the RHNA.
4. **Housing Plan:** A statement of goals, policies, quantifiable objectives, and financial resources available for the preservation, improvement, and development of housing.
5. **Evaluation of Past Performance:** Review of the previous Housing Element to measure progress and effectiveness of housing and outreach policies and programs.

6. Public Participation: Public outreach and community engagement program, to include all economic segments of the community including any underrepresented groups.
7. Sites Inventory: Identify locations of available sites to ensure there is enough land zoned for housing to meet the future need at all income levels.
8. Affirmative Further Fair Housing (AFFH): Assembly Bill 686 was passed in 2018 as the statewide framework to affirmatively further fair housing (AFFH) to promote inclusive communities, further housing choice, and address racial and economic disparities through government programs, policies, and operations.

Public Review Draft 6th Cycle Housing Element Update and Comments (May 2023)

After public input and notification, the local review or Public Review Draft 6th Cycle Housing Element Update was published on May 26, 2023. The City published notification of the availability of the draft on the City's website and provided notification via email blast and direct mail. The notice identified the purpose of a housing element and how to provide comments for the 6th Cycle Housing Element prior to the 30-day review period close of June 26, 2023. The 6th Cycle Draft Housing Element Update was made available on the City's website at: <https://www.delreyoaks.org/commdev/page/6th-cycle-public-review-draft-housing-element-update-may-2023>.

After the close of the 30-day review period, comments were received from the local school district and a local NGO. All comments were posted on the City website. A status report was also posted on the City website detailing the comments and status of the 6th Cycle Housing Element Update at that time.

July 2023 Status Report and Planning Commission Hearing

At the July 12, 2023 Planning Commission meeting, a duly noticed public hearing was held. A presentation provided an overview of the required contents of a Housing Element Update and how the May Draft Housing Element addressed each of the requirements for a Housing Element.

Sites Inventory. The City must demonstrate in its Housing Element the ability to meet its RHNA allocation, through the provision of sites suitable for residential development. To meet the assigned housing needs, the Housing Element must identify sites that may be suitable for residential development, including vacant and non-vacant sites throughout the City. The City is required to specify the projected housing type/density for each identified site. State law requires that adequate sites for RHNA be available for the entire duration of the Housing Element planning period. Drafts of the site inventory analysis were discussed during the March meetings. The draft inventory was presented during the May 3rd, May 9th and May 17th public workshops and hearings. Information for the Sites Inventory selection may be found in Chapter 3 and Appendix C of the Draft 6th Cycle Housing Element Update.

Policies and Programs. Per the required Housing Plan, Item 4, above, guidance provides that a housing plan is a *statement of goals, policies, quantifiable objectives, and financial resources available for the preservation, improvement, and development of housing*. The May meetings above also addressed policies and programs of the draft plan. The May 9th joint workshop with Planning Commission and City Council provided a review of programs. The Planning Commission reviewed programs from the 5th and 6th cycle and provided input on retaining the programs and

new programs. The meeting was publicly noticed, and the programs and PowerPoint were provided in a staff report also posted on the City's website.¹ Information for the draft policies and programs for the 6th cycle may be found in Chapter 7 of the Draft.

AFFH. The draft Housing Element identifies requirements for AB 686, or Affirmatively Furthering Fair Housing (AFFH). A full AFFH analysis may be found in Appendix A of the Draft 6th Cycle Housing Element Update.

Public Participation. A key requirement of the Housing Element is public participation. The City conducted public workshops and hearings on the City's 6th Cycle Update on March 16th and March 28th prior to initiation of the 6th Cycle Update. Additional workshops were conducted on May 3rd, and May 9th. At the May 3, 2023 and May 9, 2023 workshops, available sites for affordable housing and existing programs were discussed. The May meetings above also addressed policies and programs of the draft plan. The May 9th joint workshop with Planning Commission and City Council provided a review of programs. The Planning Commission reviewed programs from the 5th and 6th cycle and provided input on retaining the programs and new programs. The meeting was publicly noticed, and the programs and PowerPoint were provided in a staff report also posted on the City's website. Additional public input was sought during the Planning Commission meeting on May 17, 2023. The presentation on May 17, 2023 provided the inventory of available sites presented on May 3rd and May 9th. Information for the draft policies and programs for the 6th cycle may be found in Chapter 7 of the local review Draft. An overview of the public participation conducted is presented in Introduction and can also be found in Appendix B of the Draft 6th Cycle Housing Element Update.

Comments received during the 30-day public review were presented at the July 12, 2023 meeting and included in the packet for the Planning Commissioners². City staff and City Housing Element consultant requested direction on programs and updates to the program related to the comments received. The public hearing included opportunities for discussion and questions regarding the update and the process. After reviewing written comments received, and opening up the meeting to public comments, Planning Commissioners provided direction on sites inventory and programs and policies. An updated program was added per the request of the Monterey Peninsula Unified School District related to potential employee housing for MPUSD employees. This program can be found in the State Housing and Community Development (HCD) Review Draft 6th Cycle Housing Element Update, Chapter 7.

HCD Review Draft 6th Cycle Housing Element Update (July 2023)

It is advantageous to submit a draft for HCD review as early as possible so that timely subsequent reviews

¹ March 28th handouts provided current programs. May 9th City Council/Planning Commission Workshop, and May 17th Planning Commission staff report attachments and presentation included 5th Cycle and draft 6th Cycle revised programs.

² Two comment letters were received on the 6th Cycle draft HEU and are posted on the City's website: <https://www.delreyoaks.org/cityhall/page/del-rey-oaks-housing-element>. Planning Commissioners were encouraged to review the letters prior to the July 12th meeting in order to be prepared for discussion of the revised program requests.

may occur. The revisions were completed in July and an HCD Review Draft of the 6th Cycle Housing Element was submitted to HCD for their required 90-day review. The City also posted this HCD Review Draft 6th Cycle Housing Element Update on the City's Housing Element webpage³.

HCD Review Requirements

The statutory deadline for completing the update of the Housing Element for the 6th cycle planning period is December 15, 2023. This tight timeline necessitates early development, review, and collaboration of the documentation. The above 30-day public comment period provided local early input. Now that the HCD Review Draft 6th Cycle Housing Element Update is submitted, HCD requires a 90-day review period for their review.

Upon completion of HCD review, requested revisions from HCD on the draft will guide the document revisions.

Next Steps

- City Council Status Report on August 22, 2023 Public Meeting (No action)
- HCD Mandatory Review of Draft Housing Element (90 days) ending in October 2023
- After receipt of HCD review comments, provide update to Planning Commission and City Council and address HCD comments. As needed, prepare updated Draft, and submit to HCD for review and continue to work with HCD on revisions and meeting statutory deadline during review.
- Planning Commission/City Council hearings on 6th Cycle Housing Element Update Adoption (Fall and Winter 2023).

2023 5th Cycle Housing Element Update Status

The 5th Cycle Housing Element Update was adopted by the City Council in December 2019. In 2020, HCD sent a letter stating that the 2019 Element would not be certified as compliant until the City adopted an Emergency Shelter Ordinance and completed the rezoning identified in Program A.1. After a legal challenge was withdrawn, the City conducted public workshops, met with HCD staff and completed revisions to 5th Cycle Update. Specifically, the 2023 5th Cycle Housing Element Update revised Program A.1 to commit the City to rezoning Sites 1 and 1a in former Fort Ord, necessary to achieve required 5th Cycle compliance. On March 28, 2023, the City Council confirmed the final changes to Programs A.1 and adopted the Emergency Shelter Ordinance. This ordinance was required by HCD for compliance.

The 5th Cycle Update draft was finalized and sent to HCD for a 60-day review on April 24, 2023. DD&A conferred with HCD during this review. HCD final review indicates the emergency shelter ordinance was approved by HCD as adopted with no required changes. HCD staff also reviewed the 2023 5th Cycle Housing Element Update and indicated the City can adopt the HEU; no changes are requested or required. (They recommended the City adopt the 2023 5th Cycle Housing Element Update that HCD reviewed without changes, as this will expedite their final compliance review). HCD also noted the City will need to complete rezoning of Sites 1 and 1a for final HCD certification for compliance.

³ <https://www.delreyoaks.org/cityhall/page/del-rey-oaks-housing-element>

The City prepared a Draft Environmental Impact Report (Draft EIR), pursuant to the requirements of CEQA Guidelines §15105, for the City of Del Rey Oaks 2023 Draft Housing Element Update. The Draft EIR is online at <https://www.delreyoaks.org/commdev/page/housing-element>. Written comments on the Draft EIR will be accepted during the required 45-day review period.

Planning Commission and City Council meetings for adoption of the update and rezoning will be scheduled in September and October as needed. The City Council scheduled meeting in October will complete the final action for 2023 5th Cycle Housing Element Update and rezoning.