



Item #2

DATE: June 22, 2022

TO: Orange County Planning Commission

FROM: OC Development Services

SUBJECT: Status Update for General Plan Amendment H 20-01 – Housing Element Update

PROPOSAL: Staff will present a status update on the proposed General Plan Amendment H 20-01, Housing Element Update. The proposed Amendment will ensure compliance with State law.

ZONING/GENERAL PLAN: N/A

LOCATION: Unincorporated Areas of Orange County

APPLICANT: OC Development Services

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RECOMMENDED ACTION:

OC Development Services recommends the Planning Commission:

- a. Receive staff report and public testimony as appropriate.
- b. Provide feedback to staff as appropriate.

BACKGROUND:

The County's Housing Element serves as a policy guide to address the comprehensive housing needs of the unincorporated areas within Orange County. More specifically, the Housing Element shall (1) analyze existing housing stock, projected housing needs, and housing for special needs groups; (2) provide an inventory of land suitable for residential development; (3) identify and analyze potential and actual barriers to providing housing; and (4) identify specific programs that will allow implementation of the stated goals and objectives. Under California law (Government Code Section 65580 et seq.), jurisdictions must update the Housing Element every eight years.

On May 27, 2020, the Planning Commission authorized staff to initiate General Plan Amendment H 20-01, an update to the County's Housing Element to ensure continued compliance with existing State law, and recent State mandated changes regarding housing. Subsequently, the County contracted with Kimley-Horn, a consultant firm, to assist staff with the preparation of the Housing Element Update (HEU) and implementation of a public engagement program. Public engagement efforts have since included community workshops, stakeholder meetings, creation of a HEU website, and an online survey that was circulated to attain a better understanding of the community's housing needs and concerns. (See following

website for reference: <https://ocds.ocpublicworks.com/service-areas/oc-development-services/planning-development/current-projects/all-districts-2.>)

On March 4, 2021, the Southern California Association of Governments (SCAG) Regional Council adopted the Sixth Cycle Final Regional Housing Needs Assessment (RHNA) Allocation Plan, which assigns a housing need allocation for each jurisdiction in the SCAG region for the October 2021 through October 2029 planning period. The housing need allocation is the number of housing units that is needed to meet the needs of the jurisdiction’s population growth during the planning period. The County’s RHNA for this Sixth Cycle Housing Element is 10,406 units, which is a significant increase from the 5,272 units in the County’s Fifth Cycle Housing Element. This allocation of RHNA units is broken down into income categories (as shown below). Though the County is required to identify areas with adequate zoning to accommodate this future growth, it is not required to develop these housing units.

Income Category	Units
Very Low (50% AMI and below)	3,139
Low (50% - 80% AMI)	1,866
Moderate Income (80% to 120% AMI)	2,040
Above Moderate (120% AMI and above)	3,361
TOTAL	10,406

County staff, in collaboration with Kimley-Horn, prepared a draft HEU that was intended to meet all of the State requirements, including preparation of a Land Inventory that identifies candidate sites to accommodate the County’s RHNA allocation for the planning period. This draft was presented to your Commission at a Study Session held on October 27, 2021, and the draft HEU was submitted to State Department of Housing and Community Development (HCD) for a 60-day review on October 28, 2021.

As required by State law, the Housing Element Update was submitted to the Airport Land Use Commission (ALUC) on November 18, 2021. ALUC found that the County’s Draft Housing Element Update was inconsistent with the John Wayne Airport (JWA) Environs Land Use Plan (AELUP). Following the November 18, 2021, staff submitted a modified proposal to obtain consistency with the JWA AELUP. At the December 16, 2021, ALUC meeting, the modified proposal was considered and ALUC found the County’s Draft Housing Element Update consistent with the JWA AELUP. A determination of consistency from ALUC was received on January 11, 2022 (Attachment 1).

DISCUSSION:

The County received a comment letter from HCD on December 27, 2021, regarding the Draft Housing Element Update submitted on October 28, 2021 (Attachment 2). The County’s HEU was determined to not be “substantially compliant” with State law and therefore was returned to the County with a list of comments that must be addressed in the next draft version of the HEU to be submitted to HCD.

In summary, HCD requested that the County:

- quantify results of Housing programs and evaluate of County’s performance in addressing housing goals to include a timeline for implementation
- identify appropriate zoning and development standards and to accommodate the County’s share of the regional housing need for each income level

- provide regional analysis on fair housing needs, resources, constraints, identification of sites, and goals and actions
- provide additional analysis of the inventory of land suitable for residential development
- complete analysis of constraints on maintenance, improvement, or development of housing for all income levels, special housing needs and assisted housing development
- add discussion to affirmatively further fair housing opportunities

It should be noted that the comments, or findings, made by HCD regarding the County's draft HEU are similar to comments received by a majority of jurisdictions in the SCAG region. We believe that recent substantial policy and statutory changes at the state level have resulted in jurisdictions, including the County, having more difficulty achieving "substantial compliance" on its initial draft submittal. It appears that many jurisdictions have had to submit at least two drafts to HCD to achieve substantial compliance. As of June 7, 2022, State HCD has determined that only two (2) jurisdictions within Orange County have received a notice that their Housing Element is substantially compliant. Within the SCAG region consisting of 197 jurisdictions, only 15 jurisdictions have received notice that their Housing Element is substantially compliant.

A revised draft HEU is being prepared that addresses State HCD's comments including quantification of results and additional metrics. Revisions include the following:

- Housing Action Plan has been updated to quantify objectives of each of the Housing Program Strategies and include timelines for implementation.
- Comparisons to the County of San Diego and County of Los Angeles regarding fair housing needs and identification of sites have been included.
- Land Inventory has been updated to include a discussion regarding density and housing trend information.
- Additional information has been included to demonstrate the County development process is not a constraint to housing development.
- Additional accomplishments have been added related to improving the housing resources for special needs groups.
- Additional information regarding the programs and efforts of the Fair Housing Council of OC.

The revised draft HEU will be released for a two (2) week public review within the next month. Staff will review and address any public comments received prior to submittal of the draft HEU to HCD. The revised draft HEU will be reviewed by HCD, who has up to 60-days to finalize their review and determination. Upon receipt of a substantial compliance letter from HCD, the Sixth Cycle Final Draft Housing Element will be submitted to the Planning Commission and Board of Supervisors for consideration.

Associated with the HUE is a General Plan Amendment to the Land Use Element (LUE 22-01) and Zoning Code Amendment (CA 22-01), specifically to address the Housing Opportunities Overlay. On January 20, 2021, the Planning Commission authorized staff to initiate General Plan Amendment to the Land Use Element (LUE 22-01) and Zoning Code Amendment CA 22-01. Staff is expected to return to Planning Commission in August 2022 to request the Planning Commission to recommend that the Board of Supervisors make the appropriate findings under the California Environmental Quality Act and adopt amendments to the County of Orange Land Use Element and Zoning Code.

Submitted by:



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OC Development Services/Planning

Concurred by:



Amanda Carr, Interim Deputy Director
OC Public Works/Development Services

ATTACHMENTS:

1. ALUC Determination of Consistency (January 11, 2022)
2. State HCD comment letter received on December 27, 2021