

Atascadero City Council
Atascadero Planning Commission
Joint Session Workshop
Staff Report – Community Development Department

PLN 2009-1328
2009 Housing Element Update
(City of Atascadero)

RECOMMENDATION:

City Council and Planning Commission receive information regarding the 2009 Housing Element, hear public testimony, and provide feedback to staff.

DISCUSSION:

The City’s current Housing Element was updated and adopted as part of the comprehensive General Plan update in 2002. The City submitted the Housing Element to the State for certification, however, the State requested revisions, and the current Housing Element remains uncertified. As required by the State, the City of Atascadero must update the existing Housing Element and submit for State certification by August of 2009. To achieve this goal, the City has hired Lisa Wise Consulting to assist in the Housing Element Update and provide assistance in working with the State to achieve Housing Element Certification.

Background: The act of updating the Housing Element addresses the fundamental question, “Where should we grow?” This is a responsible approach to ensuring that Atascadero’s housing supply can support a population with a range of incomes so that multiple generations of families, employers, and employees can all find homes in Atascadero.

The State of California requires that all housing elements be updated every 5 years, placing Atascadero on the August 2009 schedule with many other cities on the Central Coast. Mandated by the State, the Housing Element is required to spell out City goals, policies, and programs to address the community’s housing needs. Each city’s housing
needs are established through the Regional Housing Needs Assessment (RHNA), determined by the State for each region, and further distributed within the region to cities and counties based on methodology developed by SLOCOG. While the State decides how much housing must be planned for, the City Council determines where and how to plan for new housing within Atascadero. A full overview of Atascadero’s RHNA allocation is discussed below.

In addition to incorporating policies and programs which meet the RHNA allocation, a number of State laws have been passed which specify additional items that need to be included and addressed within the element (see following discussion). As required by the State, all general plan elements must be consistent, and therefore, the Housing Element and Land-Use Element overlap in many ways.

**Housing Element Update Process:**

Staff has begun working with Lisa Wise Consulting (LWC) to assess the City’s progress on the implementation of listed policies and programs in the previous Housing Element and gather data relevant to the 2009 update. Part of this assessment includes gathering current demographic data, performing a vacant land inventory of multi-family and commercial/mixed-use sites (future opportunity sites), and an evaluation of City policies and regulations governing the provision of housing.

On June 9, 2009, LWC conducted a series of interviews with various housing policy stakeholders to determine community needs and ensure that all housing groups were represented in the updated Housing Element policies and programs. LWC held interviews with representatives from Habitat for Humanity, the Atascadero Association of Realtors, the Atascadero Chamber of Commerce, Transitional Food and Shelter, People’s Self-Help Housing, ECHO, and the SLO Housing Trust Fund.

Once a Draft Housing Element is complete, staff and LWC will prepare a recommendation on existing and proposed policies for adoption in the 2009 Update. A Planning Commission meeting will be held to review the draft document and make recommendations to the City Council prior to submission to the State for review and certification. The City Council will review staff’s and Planning Commissions’ recommendations and forward the draft document to the State with any needed revisions.

The State will review the draft document and either certify the document or provide comments and requested changes in order to achieve certification. Based on information from LWC, the certification generally requires two or three rounds of review. Once the Element is certified by the State, the City Council will adopt the Housing Element and begin the process of implementing any policies and programs called out in the updated Element.
If the City’s Housing Element does not receive State certification, funding opportunities may be lost and the City becomes more vulnerable to lawsuits as the element will be out of compliance with State requirements.

**RHNA Process:**

The Regional Housing Needs Assessment (RHNA) is mandated by State Housing Law as part of the Housing Element and General Plan update process. The RHNA quantifies housing needs by income category (Very-Low, Low, Moderate, and Above-Moderate). These allocations are determined on a regional basis and then allocated to each jurisdiction within the region. SLOCOG is responsible for coordinating the State RHNA allocation in San Luis Obispo County. Staff has attached SLOCOG’s adopted Regional Housing Needs Plan (RHNP) for your review. (Attachment 1)

The table below shows the 2007-2015 housing allocation for the City of Atascadero broken down by income category. A common misconception is that the City must build 462 new units by 2015; instead, the City must show that its policies and zoning can accommodate these units. In addition, because the previous Housing Element was not certified, the City must show that both the past allocation (2000-2008) and new allocation can be accommodated within the City.

**State/SLOCOG Atascadero Housing Requirement 2007-2015**

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Required Units</th>
<th>Income Range (family of 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low (&lt;50% of Median Household Income)</td>
<td>106</td>
<td>&lt; $35,400</td>
</tr>
<tr>
<td>Low (50% - 80%)</td>
<td>74</td>
<td>$35,401 - $56,650</td>
</tr>
<tr>
<td>Moderate (80% - 120%)</td>
<td>88</td>
<td>$56,651 - $84,950</td>
</tr>
<tr>
<td>Above Moderate (120%&lt;)</td>
<td>194</td>
<td>&gt; $84,950</td>
</tr>
<tr>
<td>Total</td>
<td>462</td>
<td></td>
</tr>
</tbody>
</table>

The Draft Housing Element will show vacant and opportunity sites where housing could be provided, but it is not yet possible to pinpoint on a map exactly where new lower-income units will be proposed. Staff expects most sites to be along the ECR corridor. Locations for additional housing (either market rate or affordable homes) must be approved by the Planning Commission and City Council in public meetings, first as part of the Housing Element update and again during individual project review. Through the Housing Element update process, the City must show that it is feasible to meet the RHNA, but exact sites do not need to be specified at this point. One of the major hurdles to certification during the previous cycle was that the City’s maximum zoning was 16 units/acre. The State only recognizes a minimum density of 20 units/acre as providing opportunities for the provision of low and very-low income units. The issue of increasing the RMF density will need to be discussed as this process progresses.
State Laws Requiring Inclusion on the 2009 Housing Element Update:

The following new State Laws must be addressed in the Housing Element update:

**AB 2348:** Requires a more detailed inventory of sites to accommodate projected housing needs and provide greater development certainty.

**AB 1233:** If prior Element failed to identify or implement adequate sites, the local government must zone or rezone to address this need within one year of update. This is in addition to new projected need.

**AB 2634:** Requires quantification and analysis of existing and projected housing needs of extremely low-income households. Elements must also identify zoning to encourage and facilitate supportive housing and single-room-occupancy units.

**AB 2511:** Anti-NIMBY protections and no net loss requirement. Added potential penalties for non-reporting of annual General Plan progress report.

**SB 1087:** Requires local governments to immediately forward adopted Housing Element to water and sewer providers.

**SB 575:** Strengthens prohibitions against arbitrary denials of affordable housing projects. Amends findings allowing project denial if inconsistent with zoning and General Plan. This finding may no longer be made if the project identified in the Housing Element is suitable to meet low- or moderate-income need or if the Housing Element did not identify adequate sites.

**SB 2:** Strengthens State law by ensuring that every jurisdiction identifies potential sites where new emergency shelters can be located without discretionary review by the local government. It also increases protections for providers seeking to open a new emergency shelter, transitional housing, or supportive housing development, by limiting the instances in which local governments can deny such developments.

**Conclusion:** The 2009 Housing Element update is required by the State to ensure that an adequate housing supply can be accommodated with the City for residents of all income levels. The Housing Element update process will include community, housing policy advocate, Planning Commission, and City Council input. The City must show that all of the community’s housing needs can be met throughout the City.

**ATTACHMENT:**

SLOCOG Regional Housing Needs Plan