# Legislation Details (With Text)

| | | | |
|---|---|---|---|
| **File #:** | 21-549 **Version:** 1 | | |
| **Type:** | Report | **Status:** | Agenda Ready |
| **File created:** | 1/25/2022 | **In control:** | REGULAR CITY COUNCIL AND HOUSING AUTHORITY* |
| **On agenda:** | 2/1/2022 | **Final action:** | |
| **Title:** | CITY OF COSTA MESA 2021-2029 (SIXTH CYCLE) HOUSING ELEMENT (GP-21-01) | | |
| **Sponsors:** | | | |
| **Indexes:** | | | |
| **Code sections:** | | | |
| **Attachments:** | 1. Agenda Report, 2. 1. Revisions to Draft Housing Element (since 01.18.22 Meeting), 3. 2. Planning Commission Resolution, 4. 3. Housing Element Update ISMND, 5. 4. Mitigation Monitoring and Reporting Program, 6. 5. Draft Housing Element (clean version) | | |

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|

## TITLE:

CITY OF COSTA MESA 2021-2029 (SIXTH CYCLE) HOUSING ELEMENT (GP-21-01)

**DEPARTMENT:** ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT / PLANNING DIVISION

**PRESENTED BY:** JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES

**CONTACT INFORMATION:** JENNIFER LE, JENNIFER.LE@COSTAMESACA.GOV; (714) 754-5270

## RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution that approves and adopts the Initial Study/Mitigated Negative Declaration (IS/MND) including the Mitigation Monitoring and Reporting Program, and approve General Plan Amendment 21-01 for the City of Costa Mesa 2021-2029 (Sixth Cycle) Housing Element update.

## BACKGROUND:

On January 18, 2022, staff provided the City Council a presentation regarding the final steps for the update of the City's Sixth Cycle Housing Element and associated Initial Study/Mitigated Negative Declaration. Included with the presentation was a comprehensive agenda report that included the following components:

- A summary of the City's assigned Regional Housing Needs Assessment (RHNA) of 11,733

housing units;
- A description of the City's multi-year Housing Element associated community outreach efforts;
- A description of the Draft Housing Element content;
- A discussion of the Draft Housing Element update, circulation for public review, and comments received;
- A discussion of the State's recent and past housing element enforcement efforts;
- A summary of the State Department of Community Development (HCD) comment letter in consideration of the City's submitted Draft Housing Element update;
- A summary of the environmental review process pursuant to the California Environmental Quality Act (CEQA); and
- A summary of the Planning Commission hearing and recommendation of the Draft Housing Element and CEQA document to the City Council.

The January 18, 2022 agenda report also highlighted:
- Key milestones completed from the beginning of the Housing Element Update effort to present;
- The Draft Housing Element Program changes and other modifications that occurred since the City Council's prior review as a result of HCD's comment letter, public comment, and the Planning Commission's consideration;
- A summary of the recent Housing Ad Hoc Committee community discussion related to State housing element law compliance and Measure Y;
- A discussion of the City's Housing Element "next steps."

During the January 18, 2022 City Council hearing, one public comment was provided that generally focused on Measure Y. After the City Council considered public input and the draft Housing Element update, the City Council provided the following general comments:

- After Housing Element adoption, the City must continue to engage the community in regard to housing and land use issues and begin the next steps in community visioning;
- Any City Council discussions regarding Measure Y will require significant public outreach and public participation;
- High rents in the City and the significant cost of housing is a critical issue for City Council and community consideration;
- The City should generally consider how to further diversify housing options in the City for all income levels; and
- Community engagement with Housing Element implementation is critical when considering housing and open space needs in the City.

No changes to the Housing Element were made by the City Council. A motion was approved on a 6-1 vote to continue the Housing Element review to the February 1, 2022 City Council meeting for consideration of Housing Element adoption.

## ANALYSIS:

The Housing Element update provides an analysis of the City's current demographic, economic, and housing characteristics and establishes objectives, policies, and programs addressing community

housing conditions and needs. The Housing Element update is a comprehensive statement of the City's current and future housing needs and a listing of proposed actions to facilitate the provision of housing to meet those needs. The proposed Housing Element would update the previous Fifth Cycle Housing Element and provide a program for the 2021-2029 Sixth Cycle planning period. To remain in compliance with State Housing Law, the City's updated Housing Element must include various applicable State provisions and be adopted by City Council and certified by California State Department of Housing and Community Development (HCD) by February 11, 2022.

For a comprehensive summary, please refer to the January 18, 2022 agenda report: <https://costamesa.legistar.com/ViewReport.ashx?M=R&N=Text&GID=839&ID=4650866&GUID=DB908081-37E6-4240-8339-25AE1F3D3A3D&Title=Legislation+Text>

Housing Element Changes Since the January 18, 2022 City Council Hearing

- As a result of recent HCD comments returned to other local agencies in regard to "special needs housing," Appendix A of the Draft Housing Element update has been modified to include an evaluation of the City's prior program accomplishments and achievements related to special needs populations.

- In addition, staff made minor modifications to *Program 3G - Address Measure Y in Relationship to Housing Element Compliance*, in Housing Element Chapter 4. The modifications are limited and do not change the fundamental substance or approach of the Program as previously discussed.

A "track changes" version of these modifications, along with a Resolution and a "clean copy" of the Housing Element Update are provided as attachments to this report.

Environmental Review

In accordance with CEQA and the State CEQA Guidelines, an Initial Study/ Mitigated Negative Declaration (IS/MND) has been prepared to evaluate the potential environmental effects associated with the City of Costa Mesa 2021-2029 Housing Element update. The IS/MND was circulated for public comments on October 29, 2021. The public comment period ended on November 29, 2021. Three comment letters were received and are provided as an attachment to the January 18, 2022 City Council report.

The IS/MND includes a description of the Housing Element Update; programmatic high-level evaluation of the potential environmental impacts; the findings of the environmental analyses; and recommended standard conditions and mitigation measures to avoid/lessen potentially significant adverse impacts on the environment. Based on the conclusions of the environmental analysis, the Housing Element update would have less than significant impacts with the implementation of mitigation measures in the areas of: Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Noise, and Tribal Cultural Resources.

The City Council is being asked to review and consider the information provided, and approve and adopt the IS/MND including the Mitigation Monitoring and Reporting Program (provided as an

attachment to this report).

Next Steps

- **February 11, 2022 -** Pursuant to State Law, the City must adopt its Housing Element by this date to remain in compliance with housing laws. After City Council adoption, the Housing Element will be forwarded to HCD for their re-review and certification. City staff and our expert consultants believe that HCD comments have been appropriately addressed in the revised Housing Element Update. However, if HCD requires additional corrections, staff will bring the Housing Element to the Council for an update at that time.

- **2022 - 2029 -** After State HCD Housing Element certification, Development Services staff will process for Planning Commission and City Council approval subsequent land use and zoning code amendments in compliance with Housing Element program implementation. This effort will begin with a community visioning process.

## ALTERNATIVES:

The City Council alternative actions include:
1. Adopting the Resolution as proposed;
2. Adopting the Resolution with modifications to the Draft Housing Element update; or
3. Not adopting the Resolution.

If the City Council chooses to make substantive modifications to the Draft Housing Element update, the modified Draft Element would need to be brought back at a future meeting for further City Council consideration. However, continuance of the review could result in the City not complying with the February 11, 2022 State required adoption date. Alternatively, if City Council requests minor modifications to the Housing Element, a motion could be made by City Council to adopt the Resolution, and for staff to make the City Council directed changes to the Draft Element prior to forwarding for State certification. Not adopting the Housing Element Update would make the City out of compliance with State Housing Element law and would subject the City to potential litigation and other enforcement actions by the State as previously discussed.

## FISCAL REVIEW:

The adoption of the Housing Element will have no impact to the City's General Fund.

## LEGAL REVIEW:

This report has been approved as to form by the City Attorney's Office.

## CITY COUNCIL GOALS AND PRIORITIES:

Diversify, stabilize and increase housing to reflect community needs.

## CONCLUSION:

Staff recommends the City Council adopt a Resolution approving the IS/MND (including the Mitigation Monitoring Program) and the General Plan Housing Element Update.

After adoption, the Housing Element Update will be forwarded to the State HCD for the required certification. After certification by the State, the City will begin implementing the required Housing Element plan and program actions.