



City Council Agenda Item

City Council Meeting Date: November 19, 2024

TO: Dean Albro, City Manager

FROM: Brian Halvorson, AICP, Planning Manager
b_halfvorson@ci.lompoc.ca.us

SUBJECT: Consideration of Planning Commission Recommendations for Approval of the Lompoc Housing Element Update of the 2030 General Plan for the 2023-2031 Housing 6th Cycle (GP 21-02); Adoption of Resolution No. 6721(24) Adopting the Housing Element Update

Recommendation:

The Planning Commission recommends the City Council take the following actions:

- 1) Receive and consider the Planning Commission recommendations;
- 2) Hold a public hearing;
- 3) Review the Draft General Plan Housing Element Update;
- 4) Adopt Resolution No. 6721(24):
 - a. Certifying an Addendum to the 2030 General Plan Final Environmental Impact Report (Attachment 1, Exhibit A); and
 - b. Re-Adopting the Housing Element Update (Attachment 1, Exhibit B) of the 2030 General Plan for the 2023-2031 Housing 6th Cycle; or
- 5) Provide other direction.

Background

State law requires that housing elements be updated every eight years (California Government Code Section 65588). The Housing Element Update must identify residential sites adequate to accommodate a variety of housing types for all income levels and to meet the needs of special population groups as defined under state law (California Government Code Section 65583).

The Update analyzes market and governmental constraints to housing maintenance, improvement, and development; addresses conservation and the improvement of the condition of existing affordable housing stock; and outlines policies that promote housing opportunities for all persons.

The current Update would bring the Element into compliance with California law enacted since the City's adoption of the 2015-2023 Update and with the current Santa Barbara County Association of Governments' (SBCAG's) Regional Housing Needs Allocation (RHNA).

After the Council adopted the Housing Element on November 21, 2023, the Update was submitted to HCD for certification on December 1, 2023, which included a 60-day review. Following the submittal, HCD responded with comments on January 29, 2024 (Attachment 2).

Staff and the consultant worked with HCD over a series of 9+ months to address HCD's comments received on January 29, 2024. Virtual meetings took place and multiple informal reviews (a more efficient way for HCD review, generally taking place within 2-3 weeks instead of 60 days) and comments by HCD were received. The comments and the City's responses are shown in Attachments 3 and 4. Based on the City's most recent "informal review", a substantial conformance letter (Attachment 7) was received which states that HCD reviewed the revised Update, and the document meets the required statutory requirements. Therefore, if the proposed changes to the document are approved by the City Council, then the Housing Element will substantially comply with State Housing Law (Gov. Code section 65580 et seq) when it is adopted, submitted to and approved by HCD, in accordance with Government Code section 65585.

Discussion

On October 9, 2024, the Planning Commission reviewed the most current Update and recommended that the City Council approve the Update (Attachment 5) with the proposed changes to the document that have already been reviewed by HCD. Those changes are shown in **red text** for changes to text that are proposed to be deleted and also shown in **blue text** for proposed new text in the document.

In addition, changes without highlighting indicate revisions in response to HCD's review of the Adopted Housing Element. Changes with yellow highlighting in the document indicate revisions in response to informal HCD comments received in March/April 2024 and changes with green highlighting in the document indicate changes in response to informal HCD comments received in May 2024 and June 2024.

In summary, the primary changes made to address comments from HCD include the following from both the Policy Document (Part 1) and the Housing Needs Assessment (Part 2) components of the element:

Required Rezone Language

A policy and program action related to codifying rezone requirements was added. This is shown in Program H-A.8 (page 1-18) and in Policy H.1.21 (page 1-31).

HCD identified the City's land use controls as a constraint to achieving maximum densities (for the production of multi-family housing), therefore, Program H-A.16 (Placed Based Strategies) on page 1-26 was revised to incentivize development and redevelopment in the OTC, MU, R-2 and R-3 zones as follows:

- Increase maximum residential floor area from 50% to 75% in the OTC zone;
- Allow up to 75% residential floor area, and a maximum Floor Area Ratio (FAR) for residential uses of 1.5 in the MU zone;
- Increase maximum lot coverage to 60% in the R-2 zone and 70% in the R-3 zone;
- Increase maximum height limits to allow 4 story stories in the OTC and MU zones (up to 50 feet) and 3 stories in the R-3 zone (up to 40 feet).

In addition, Program H-A.21 (Affordable Housing Incentives Program) on page 1-31 was amended to also require amending development standards to allow 3 stories (maximum height of 40 feet) to facilitate achieving maximum density in the R-3 zone.

These changes will require staff to come back to the Planning Commission and City Council with proposed amendments to the 2030 General Plan Land Use Element and Zoning Code.

Realistic Capacity

The realistic capacity analysis approach for the OTC zone and other mixed use zones was revised consistent with methodologies in HCD's Site Inventory Guidebook. The capacity analysis now utilizes development trends factors, likelihood of non-residential use factors, and land use controls to determine realistic capacity assumptions. OTC now has a realistic capacity assumption of 46 percent. Due to updates in unit assumptions, the Affirmatively Furthering Fair Housing Site Inventory analysis was revised accordingly. Program H-A.13 (page 1-23) was also revised to commit to annual monitoring of sites in mixed-use zones and identifying alternative sites and/or rezoning within 6 months.

Suitability of Nonvacant Sites

HCD also required additional information to support the feasibility of redevelopment of nonvacant sites in the sites inventory. Additional data was provided in the Update related to local and regional redevelopment trends to support capacity assumptions on nonvacant sites.

Two residential nonvacant sites were removed that were not meeting most of the nonvacant site factors (Sites 46 and 57), revisions to all references to site numbers were made, and an analysis was added for sites that were only meeting two redevelopment factors (see page 2-133). Additional details were added on page 2-133 and in Appendix D for the school site's current plans for housing. In addition, the nonvacant site analysis was expanded for Sites 54, 64, 67, 75, and 76 in Appendix D (page D-1).

General Plan/Zoning Consistency

California Government Code Section 65300.5 requires that a general plan be internally consistent, meaning that no conflicts exist among the elements of the plan. Government Code section 65583(c) requires that a housing element describe how consistency has been achieved among the general plan elements.

The most important aspect of consistency among general plan elements is that policies and programs do not conflict but support one another to achieve the overall goals and vision of a Lompoc general plan. In preparing the Update, the City is also concurrently drafting technical General Plan updates for consistency with State law and the updated Housing Element. Additionally, if the General Plan is amended during the planning period, the City will review the Housing Element for internal consistency and make any necessary revisions.

To maintain consistency, following re-adoption of the Housing Element by the City Council, changes to both the General Plan and Zoning Code are required and will be brought back to the Planning Commission and City Council for approval based on the timelines required in the Housing Element Update as described in the Implementation Programs section of the Update (page 1-15).

Public Participation

As required by State housing law, significant public participation was part of the update process and plays a critical role in the formation and refinement of the updated Housing Element. A community engagement program was developed to ensure the community and other stakeholders are engaged in the process and are given ample opportunities to provide input. The engagement program included branding, a project website (envisionlompoc.com) social media, local media releases, surveys, newsletters, multiple meetings/workshops (held in English and with Spanish interpreters' present) as well as Planning Commission and City Council meetings.

To date, there have been numerous opportunities for the public to participate in the update process during twelve public meetings, workshops, and by correspondence. The project website continues to be up-to-date and all documents relating to the Update are available to the public and are located at: <https://envisionlompoc.com/>. In addition, before each formal submittal to HCD, the Update was posted to the City and Project website for review.

Future Code Amendments

Code amendments are required as described in Housing Program H-A.8 (Municipal Code Updates) of page 1-16 within the Update. These amendments are required to be completed within 3 years (by February 15, 2026) for compliance with State Housing Laws. Although not listed, staff will also be adding an amendment to the inclusionary housing ordinance (Chapter 17.324 of the Zoning Code) to reduce (from 15% to 10%) affordable housing requirements in Redevelopment Area 2 to be consistent with the Citywide affordable housing requirement of 10% (for housing developments of 10 units or more).

Public Comments

Comments received from the public and responses to those comments are included in Appendix C of the Update. Any additional comments received following publication of this report will be distributed to the City Council at the public hearing with copies available to the general public.

Grant/Program Funding Tied to Housing Elements

State funding programs that incentivize greater coordination with housing planning include the Local Partnership Program, Transit and Intercity Rail Capital Program, Active Transportation Program, HOME Investment Partnerships Program, and Solutions for Congested Corridors Program. Most notably, the Community Development Department applied for and received the Regional Early Action Planning (REAP 2.0) grant through SBCAG. In order to keep this grant, which totals \$446,897 to be used to assist the City in providing residents with “Pre-Approved” ADU plans, Housing Element compliance is required. In total, over \$6 million (past/present funding) is used to maintain or allow future grant funding programs that require a legally compliant/certified Housing Element.

Environmental Review:

The City Council certified the Final Environmental Impact Report (FEIR) during the adoption of the 2030 General Plan on October 19, 2010. For the Housing Element Update, an Addendum to the FEIR has been prepared pursuant to the requirements of California Environmental Quality Act (CEQA). The Addendum is the 7th Addendum to the 2030 General Plan FEIR [(Exhibit A to Resolution No. XXXX(24)]. As a reminder, an Addendum to an Environmental Impact Report (EIR) is appropriate when only minor technical changes or additions are necessary, and no substantial changes are proposed or new information available that would require major revisions to the EIR. The completed EIR Addendum analysis determined no new or more severe environmental impacts beyond those disclosed in the FEIR would occur as a result of the Housing Element Update.

Fiscal Impact:

Funding for the completion of the Housing Element Update is through State and Regional grants (REAP/LEAP/SB 2). With said funding, a contract with Mintier Harnish and Rincon Consultants was obtained on February 24, 2022, for \$487,461.00. Following this contract, three contract amendments were needed and the total contract amount was increased to \$550,943.00. That amount includes the required environmental work (EIR Addendum) for the Project with Rincon Consultants and additional amendments to other General Plan Elements (Safety, Circulation and Environmental Justice) that will be completed and considered for approval by the Planning Commission and City Council at a later date. These costs have been included in their respective adopted budgets and no additional appropriations are requested at this time.

Conclusion:

The current Update to the Lompoc 2030 General Plan Housing Element is consistent with the requirements of the State and has been reviewed by HCD. The City has demonstrated that it has enough housing capacity that is adequate to meet the City's RHNA requirement as well as the additional buffer. Following adoption by the City Council, the Housing Element Update will be forwarded to HCD for certification.

Respectfully submitted,

Brian Halvorson, AICP, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Christie Alarcon, Community Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachments:

- 1) Resolution No. 6721(24)
Exhibits A and B of Resolution No. XXXX(24) are available on the City's website at:
<https://www.cityoflompop.com/Home/Components/Calendar/Event/6934/67>
- 2) HCD Response Letter (Jan 29, 2024)
- 3) HCD/City Response to Comments March/April 2024
- 4) HCD/City Response to Comments May/June 2024
- 5) Planning Commission Resolution No. 1011 (24)
- 6) Substantial Conformance Letter (Sept 19, 2024)